THE STORY OF BRITISH TRADE AND INDUSTRY

BY JAMES BURNLEY

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BY

JAMES BURNLEY,

Author of "The Romance of Invention," "The History of Wool and Wool-combing," "Summits of Success," etc.

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PREFACE.

In the following pages I have endeavoured to sketch in outline the leading features of the History of British Trade and Industry. It has necessarily meant a rigid compression of facts, and has left little room for comment or deduction; still, the narrative will be found, I trust, to present sufficient of regular sequence to enable it to be followed with interest; and those who desire to investigate particular points more fully can easily do so by turning to special books covering those points.

At a time like the present, when so many are halted, as it were, at the fiscal cross roads, uncertain as to the way to take—whether backward or forward, or along some hazily defined middle course—it is well that the lesson of the industrial past should be studied, and if the story as here set down should act in some slight degree as an incentive to that study its purpose will have been served.

J. B.

Gray's Inn Chambers,
Aug., 1904.

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THE STORY OF BRITISH TRADE AND INDUSTRY.

CHAPTER I.

FROM BARBARISM TO FEUDALISM.

It is from the discoveries of geology that we have to piece together our first dim picture of the earliest inhabitants of our islands. The fossilised records prove that our native wilds were, during the Palæolithic period, the home of certain of the larger carnivora, and that a rude and primitive race was there also, living by hunting and fishing, but having no knowledge of industrial arts, or of metals. In the Neolithic Age, which succeeded, a somewhat higher condition of existence was realised, when the people lived in cave dwellings.

From that period through the many centuries that elapsed before the pen of history took up the narrative of Britain's development, the progress towards civilisation must have been much the same as in other countries of Europe—slow, gradual, and difficult. Life was literally a fight for existence. The wants of the people were bounded by their rough

necessities. They would be slowly drawn to the utilisation of natural forces—sometimes by accident, sometimes by reasoning and practical experiment — and the resulting increase of knowledge would give them a larger mastery over surrounding things. Water would be a familiar element, tempting them to adventure, and impelling them to build rough boats. Fire, again, would open up many marvels to the early Britons. Having served the purposes of light and warmth, it would give them their first ideas of cooking. Other substances than meat would in turn be submitted to the fiery ordeal, and little by little some inklings of the arts of pottery and metallurgy would be revealed. At the same time, the first suggestions of a rough sort of agriculture would be taking shape, and when the Neolithic Briton passed by scarce perceptible gradations into the Bronze Age he would be equipped with many of the rudimentary essentials for achieving civilisation. When it was observed that some lands were sterile while others were fruitful, the more intelligent minds would naturally search for the cause, and would discover the secrets of the sunshine and the rains. They would learn to distinguish between favourable and unfavourable conditions, and how to improve the soil that was poor. In this way the gift of invention would be fostered, and by degrees it would be realised that cultivating the earth was better than hunting wild animals.

The people would be drawn to gentler occupations ; they would become more humanised,

the domestic idea would take root, and as the love of family and home was extended, nobler impulses would be engendered. Then, when they saw the goodness of the earth, they would no longer coop themselves up in caves, but become dwellers upon the surface, building themselves huts, and enclosing their lands. Having tamed the earth, and brought it into subjection, they would also set themselves the task of taming the wild animals which still constituted a chief peril to their existence. Thus the domestication of many animals would be brought about, flocks and herds would come under man's control, fields of grain would begin to spread their golden graces over the face of the country, fruits would be trained from raw wildness to cultivated refinement, and the husbandman would be lord of the earth.

It would be all very rude and very rough, but it was not barbarism. As the solitudes became peopled, habits of association and mutual help would be formed; the people would range themselves into tribes and communities, the ablest or bravest among them being appointed leaders. This would make for strength and consolidation on the one hand; for strife on the other. It was the suscitating element of that aristocratic idea which, while giving power into the hands of the fittest, went entirely against all theories of equality. Such, however, were the lines on which civilisation had to be worked out. So, in the development from the tribal to the national stage, fierce contention would be inevitable; and not until one tribe grew powerful enough to hold its own

against all the rest would any general peace be attainable.

Still, raw as the component forces were, and difficult as it was to secure their amalgamation, the arts of peace were not neglected, and when at last the civilisation of the ancient world forced itself into touch with the natives of Britain, it was found that the islanders had attained some measure of material prosperity.

It is a mistake to assume that the Britons of the pre-Roman days were a horde of barbarians, and Julius Cæsar's description of them as naked painted savages may properly be challenged at this day, in the light of fuller knowledge. The Briton had long been in communication with the outer world—with Gaul on the one side, and the lands across the German Ocean on the other—before Cæsar's conquering legions took possession of the country. The Romans, indeed, found themselves among an intelligent people in Britain; a people versed in some of the industrial arts.

Long before Cæsar landed in Britain, the Phœnicians had carried on an extensive commerce with the country; and in the days when Tyre and Sidon were the chief trading cities of the world, the tin of Cornwall and the lead of Derbyshire found their way to those cities, as well as to other great ports; and, a century before the Roman invasion, both the woollen and the linen manufactures, and the custom of wearing garments made from those fibres, had been introduced into England, probably by Belgic colonists.

The Roman occupation of Britain was in its

general effect beneficial to the country. Although Cæsar did not succeed in colonising the island, and ultimately gave up the attempt, the temporary presence of the Imperial forces caused the Britons to realise something of what Roman civilisation meant, and led to an increased taste for the useful and elegant arts in Britain; despite the fact that during the long period of nearly one hundred years that elapsed between the withdrawal of Cæsar's legions and the coming of those of Claudius, internecine dissensions kept the island in unceasing turmoil. The second conquest of Britain by the Romans, desperately as it was resisted by the natives, first under Caractacus, and later under Boadicea, established Roman usages still more firmly. The laws, religion, luxury, learning, and industrial arts of Rome were adopted in the British province; and during the remainder of the Roman occupation—which lasted until the fifth century—Britain was not far behind her conquerors in the arts that make for civilisation.

Agricola was the first of the Roman governors to command the willing obedience of the Britons, and under his rule much was done to bring about an assimilation between victors and vanquished. Halls, temples, baths, and porticos were erected; the old Druidical rites of the islanders gave place to the worship of the classic divinities of Rome; the men of London and York adopted the toga as the fashionable garment; the old mud huts which had theretofore sufficed for living places for the people were superseded by comfortable dwellings of

wood and brick ; and important trading towns were established in many parts of the country. London became a famous business mart, a large woollen manufactory was set up at Winchester for supplying cloth to the army of occupation ; and at York, Chester, Exeter, Canterbury, Rochester, Dover, and Richborough a considerable commerce was carried on.

During the whole period of the Roman occupation the industrial condition of England was progressive. It was, however, a period of many changes. Rome was in decay. The greatest empire the world had known was tottering to its fall, and over the whole continent of Europe the clang and clash of battle prevailed. Meanwhile Britain, happy in its insular position, was cultivating that genius for trade and commerce which was ultimately destined to make it great among nations.

In those times Britain was a large exporter of corn. The Emperor Julian, in 359, despatched a fleet of eight hundred vessels to England for corn for the colonies on the Upper Rhine. Other agricultural produce, including cattle, was also exported. The plough, the flail, and the cattle-mill, and many other agricultural appliances and methods had been introduced ; and the islanders had improved in the fabrication of wool ; but exportation of wool was then, and for many centuries later, such an important item of the commercial wealth of the country, and so easy to handle in that form, that the manufacture of the fibre did not get the attention that was its due.

Numberless allusions to the superiority of British wools occur in the works of ancient writers. Dionysius Alexandrinus states that, "The wool of Britain was often spun so fine that it was in a manner comparable to the spider's thread."

In the matter of industries proper, the output was not large. A rude description of pottery was made in Staffordshire prior to the Roman occupation, and some coarser sorts of woollens and linens were woven; something of the art of dyeing was also known and practised, woad, a native vegetable dye—which was at one time considerably exported—being mainly used, and yielding a blue colour. It was in the metallurgical arts, perhaps, that the greatest advance had been made. The Romans were surprised to find the natives so forward in this branch of industry, the axle-scythes of the British war-chariots and the swords and spears of the British horsemen indicating a knowledge of iron manipulation not far inferior to that possessed by the Romans themselves. The Romans, however, did much to develop the smelting of tin and iron, and the lead mines were more extensively worked under Roman supervision, all the three metals being regularly exported at that period.

Among the British exports mentioned by Strabo and other old writers we find gold, silver, and pearls enumerated; the last-named, which were found in a large black mussel peculiar to some of the rivers, seeming to have enjoyed great fame. As to gold and silver, Tacitus expressly mentions these minerals as products

of the island, and there is evidence of gold and silver mines being worked in Devonshire several centuries later. Another special article of export also belongs to the Roman and pre-Roman periods—slaves—but considering that slavery was then one of the institutions (and a necessary institution) of the most advanced nations, the fact is evidence of progress rather than of backwardness. The imports were mostly in the nature of luxuries, such as drinking glasses, amber cups, gold chains, ivory bridles, and the like; articles that we do not usually associate with barbarism. It was to the Romans that the first real system of roads in Britain was due, and the stability of these lines of communication and avenues of commerce is shown in the remains that can still be traced after a lapse of sixteen hundred years.

With the withdrawal of the Romans in 410, the Britons were again left to themselves, and became a prey to contending foreign forces. With the Picts pressing on them from the north, and Rome refusing aid, they were glad to welcome some of the tribes of Teutonic rovers, who then held sway over the northern seas, to safeguard them, but, in the main, this made matters worse rather than better. True, a combination of Britons, Angles, Jutes, and Saxons succeeded in driving back the Picts; but this did not prevent the Saxons themselves later on joining forces with the Picts against the Britons, and eventually establishing themselves as masters of the greater part of the country. It took them long, however, to beat down the fierce opposition they met with from

foes without and foes within ; and during that turbulent period the beneficent influences of trade, industry, art, and religion were comparatively powerless. Manufactures and agriculture declined, and instead of the Christian religion, which had been accepted and encouraged in the later years of the Roman occupation, the people were forced back upon Paganism again, and for a time the worship of Odin held the ground previously occupied in succession by the faiths of the Druids, the Roman Pagans, and the Christians respectively. The Britons were indeed more civilised than their new conquerors. In the art of war and the production of fighting weapons the latter were well skilled ; but it was not until after the final adoption of Christianity, and the union of the petty kingdoms of the Heptarchy under Egbert, who was contemporary with Charlemagne, that much attention was given to the conquests of peace. Shortly before this consolidation was effected, the first commercial treaty between this country and France was signed, whereby Charlemagne pledged himself to Offa, king of the Mercians, to allow English merchants lawful protection in France. But there were soon other matters to think about. The Mercians themselves were brought under Egbert's sway, and in the end this monarch had practically the whole of the kingdom under his authority, and there appeared to be some hope for trade and commerce. Peace brought the desire for greater luxury, people began to to display pride in dress, and among persons of the higher ranks a taste for embroidery and

textile work generally was cultivated. Even the ladies of the royal households took pleasure in handling the distaff and spindle, and, the monks giving encouragement to these pursuits, it was considered a sacred duty to follow them. The priests themselves were enjoined to master some useful handicraft, and among those early teachers of the Gospel were to be found carpenters, smiths, weavers, millers, and masons, who thus set the example of useful toil to the lay community, and did much to establish habits of industry among them.

But the peaceful spell was all too brief. Hardly had the new kingdom begun to enjoy the blessings of a regular government than another band of outer barbarians—the Danish pirates—swooped down upon the land, and by persistent attacks succeeded in spreading ruin and devastation where previously had been so much promise of peace and prosperity. Saxon kings continued to succeed each other, however —at least nominally—from Egbert to Alfred, but stability of reign was impossible so long as the Danish marauders continued to infest the country. When Alfred came to the throne it was but a poor heritage that he succeeded to; the Danes were in possession of the main portion of the island, and the case of the Saxon monarchy seemed almost hopeless; and in the ensuing years of desperate contention any real extension of commerce was out of the question. When at length the Danish opposition was subdued, and Alfred was able to turn his thoughts towards other pursuits than war, he sent bishops out to distant countries, chiefly

in the interests of religion, but with commerce as a secondary object. Alfred's greatest achievement on behalf of British commerce, however, was his building of the first native fleet worthy of the name. Although this right arm of England was meant exclusively for war purposes, there is little doubt that other British vessels were then utilised for trading.

It was from this time that the national desire for the dominion of the sea came to be nursed by the English people. The ambition did not spring up all at once, nor was it pursued with either consistency or persistence for a long time, but from this period the object was never altogether lost sight of. Athelstan was so anxious to encourage the maritime spirit that he promulgated a law that every merchant who should make three voyages over seas with a ship and cargo of his own should be raised to the rank of thane. The commercial spirit had taken firm root by this time; and through all the long story of wars, misrule, conflict, and vicissitude, this spirit expanded. A race of adventurous English merchants grew up, and the more they went abroad to trade the more foreign merchants came for like purposes to England; and trading treaties were entered into and commercial concessions granted in response to the requirements of the trading community. Trade and commerce had the first claim, after religion, to kingly consideration. Even in Ethelred's unsettled reign there was good progress made; and from some of the customs laws enacted by him we get a considerable insight into the commercial conditions

of the time. We are shown that ships from Rouen brought wine and large fish ; that from other parts of France, and from Flanders, came ships freighted with cloth of gold and other choice fabrics ; and that certain German merchants, alluded to as "the men of the Emperor," brought cargoes of cloths, gloves, vinegar, spices, etc. These German traders probably belonged to some merchant company, the forerunners of that Hansa of the north which at a later date was to do much to strengthen the bonds of commerce between England and the great continental trading ports. The "men of the Emperor" were declared to be "law-worthy, like ourselves," and tolls and taxes were made especially easy for them.

All through the Saxon period trade was facilitated by a coinage system. The native coins were mostly of a low denomination, but several foreign coins were also allowed to circulate, for the convenience of foreign traders probably, but the older system of exchange still survived to a considerable extent, and often slaves, cattle, horses, sheep, and swine did duty for money.

There were many drawbacks to quick trading, however. Honesty was clearly not the most prominent virtue, judging from the many and severe laws that were passed for the punishment of theft, and the conditions with which ordinary transactions of bargain and sale were surrounded. Not only were trading transactions restricted to certain privileged towns, but the presence of the sheriff, the king's portreve, the mass-priest, the lord of the manor,

or some other person of position and trustworthiness, was necessary to the concluding of any bargain. Commercial activity was greatly checked by the general sense of insecurity that prevailed, and it was this that led to the formation of those guilds and associations which widened the boundaries of trade by affording a mutuality of protection and effort that the law itself in those unruly times was unable to yield. These associations supplanted the old family and communal existence, and set up a broader and more solid protective organisation, based on principles of brotherhood. The fact of their existence was a proof of there being a considerable amount of trade. There was the State with its laws as its dominating authority; there were townships and boroughs, with their grants and charters, and trading concessions; but something more readily adaptable to the developments of the commercial instincts of the race was needed, and this was supplied in the Anglo-Saxon Guild, which was a much different institution from the English guilds of a later time, as we shall presently see. Owing their origin, probably, to the initiative of the monks, the Anglo-Saxon Guilds were more of a religious-social order than were the later guilds.

The tendency of the age was in the direction of consolidation. As people came to possess land or other property, either by special gift of the community or by grant of the King, who was lord of the soil, they had something that needed protecting, and no individual was strong enough to guarantee the security of his own possessions. The conversion of the English to

Christianity gave rise to a healthier moral code, and as the rights and obligations of brotherhood came to be recognised, so also the advantages of a common action for a common good were made clear. Hence the spontaneous outgrowth of townships, hundreds, and boroughs, and the beginnings of that municipal existence which, by establishing separate jurisdiction, and administration in convenient business centres, drew the people together into town communities, enabling them to carry on their trades and crafts in comparative security.

In the closing century of the Anglo-Saxon period there is little to chronicle in the way of trade history. The temporary successes of the Danes, resulting in Swegen's short kingship, Canute's not inglorious reign, the terrible days of Harold Harefoot, and Hardicanute, and the imposition of the hateful "Danes-geld," did not tend to the nation's prosperity; and when the Saxon dynasty was restored for a last twenty years of triumph in the person of Edward the Confessor, the shadow of Norman influence rested upon all things of power and greatness, and the English race sank once more into comparative insignificance. The reign of Edward formed an unworthy close to the Saxon rule, which had lasted, apart from the Danish interruptions, for over two hundred years. Within that period the Saxons had succeeded in stamping their robust characteristics upon the islanders, and, although less cultured and refined than the first conquerors of the country, the Romans, they were possessed of hardihood, vigour, intrepidity, and other strong qualities

conducive to the formation of a great trading people. They found the country a waste, its inhabitants distracted by civil strife, its trade and agriculture neglected ; but when the rough edges of racial difference had been smoothed over, and England and a united English people had been moulded out of Britons and Saxons, the work that was achieved sufficed to lay the foundation of the greater England of to-day. Three-fourths of the towns, villages, and parishes constituting modern England were named, delimited, and placed under some sort of local control during their sway. To them we owe the primary divisional design which we still adhere to in the main, despite the increase and diffusion of population, and the augmentation of wealth.

Various estimates have been formed of the population of England in the time of the Confessor, but the data are too slight to admit of more than a conjectural reckoning. It would hardly be more than two millions, and might be considerably less.

With the Norman Conquest the " old order " suffered a sudden eclipse. The country had for two decades been Norman at heart, so far as the governing nobles and officials were concerned, but it was not so with the people ; they were true Saxon, and it was upon them and the few English lords who were able to retain their estates and privileges, that the new power pressed with such distressing severity. It forced the national industries into the throes of a merciless feudalism, and, for a time, the old English trading spirit was paralysed.

CHAPTER II.

FROM FEUDAL DARKNESS TO COMMERCIAL DAWN.

1066-1216.

THE Norman Conquest for a time arrested the progress of English commerce. William was not insensible to the importance of trade, but his sympathies were for a great part of his reign otherwise engaged. He and his barons had, first of all, to make their conquest secure, and the only trading that received direct encouragement was such as was under Norman control. While colonies of French artisans, merchants, and artists were fostered in London and other principal towns—while every Norman castle and monastery had its *entourage* of French officials and domestics—the English were held in a subjection that left them but little heart for the prosecution of their natural aptitude for trade. England practically became a new country, with a new royal race, a new nobility, and a new trading spirit lording it over the land, and crushing into the background whatever remained of Saxon assertiveness.

But apart from the immediate discomforting effect of this feudal despotism upon the conquered race, the Conquest, after due solidification, proved of undoubted commercial benefit to the country generally. It gave stability of government, where for a long time before there had been insecurity. It imported into the country an improved industrial talent, gave rise to a more adventurous commercial enthusiasm, and

inspired foreign merchants with a firmer confidence in English trading intercourse.

It was not so much the direct action of the governing power as the industrial consequence of that power that strengthened the trading spirit. Even William's personal greed was an important factor in the development. When he found the heavy feudal dues insufficient for his needs, he fell back upon his Jewish followers for the replenishment of his coffers, and as their very existence depended upon the royal favour, they submitted with as good a grace as possible to his demands. Being a nullity before the law, and, therefore, not entitled to claim its protection, the Jews lost everything if the King abandoned them. They were simply "taxable to the King as his bondsmen," to use the word of the Statutes of the Jewry, "and to none other but the King."

Out of this strained situation grew the first workings of what we term capital on any large scale in England. By loans or gifts to the King, the Jews acquired a trading status, and were able to carry on their money-making operations with the trading community in comparative safety, and their influence was, on the whole, beneficial to trade. They formed one of the few elements of peace in a period of unrest and oppression.

In tracing the development of British commerce during the Norman period we have to follow it through many opposing forces; on the one hand there was a masterful, cruel, and merciless despotism, which in a great measure crippled the efforts and aspirations of the

English population; and on the other hand there was an undoubted impetus given to the industrial arts and general progress by the mere fact that the Normans were more advanced than the English in the minor refinements and elegances of life. In comparison with the English nobles, whose power had been destroyed, the Norman barons, who set up their castles and took possession of vast confiscated estates in various parts of the country, were men of state and magnificence; and, taking their cue from their master, the Conqueror, greatly overshadowed their English neighbours. The surrender of the country into the hands of such a domineering force had the effect, however, of keeping down rebellion; right or wrong, a solid government, with a fair prospect of permanence, was established, and that fact tended to promote commerce. The great body of the people were undoubtedly at a sorry pass, and the system of feudal villeinage which prevailed did not remove the impression that the people had been happier in former times. Still, the general environment was more favourable to trade expansion. The ostentatious display made by the Normans, their love of apparel, their luxurious habits, their appreciation of art and architecture, and their gay indulgence in the sports of the chase and military exercises, were tastes that had to be ministered to, at least in part, by native service. Much of their elegant raiment, jewellery, and the choicer things of the table were obtained from abroad; but even this represented an augmentation of commerce. The fact that such things were

required in England in much larger quantities than before the coming of the Normans had the effect, moreover, of inducing many skilled artisans from Germany, France, and Flanders to settle in the country. There was increased employment for English ships in bringing products and people from abroad, and the establishment of the Cinque Ports by the Conqueror was a significant factor in the building up of an overseas commerce.

It was this gradual, and at times almost imperceptible growth of English trade, that was the greatest influence in ultimately bringing about that amalgamation of races under one common interest which was to be the saving of the nation. The strength of the English commercial spirit was great enough to withstand even the pressure of feudalism. It was this spirit that caused craftsmen and merchants to congregate in increasing numbers in towns, to form guilds, to demand trading concessions from the King, to organise measures of protection against the tyranny of the barons, and to get imported into the constitution those principles of freedom which have ever since prevented the will of any English monarch from becoming absolutely beyond the people's control.

There was a certain saving grace in William's arbitrary methods. He encouraged commerce, gave an asylum to certain Flemish weavers, ordered all ports and roads to be open to merchants, "and no injury to be done them," granted municipal and trading privileges to numerous towns and marts, permitted Guild

Merchant organisations, put a stop to the Bristol slave-trade (resumed, unfortunately, at a later date), and, as the Saxon chronicler relates, made such "good peace" in the land "that a man might go over the kingdom unhurt with his bosom full of gold." "Stark he was," says the chronicler, "to men that withstood him," but to the trading enterprises that he deemed good—provided that they were not opposed to his personal aims—he showed much favour.

To London—by this time probably the most famous mart of the world, except Antwerp and Bruges—the Conqueror granted two special charters, according many privileges, trading and municipal. London had tendered him homage when he made his victorious entry on his march from Hastings, and he never ceased to regard the city as his chief civil stronghold. He made the prosperity of London his personal concern, and the fortress he built there, on the northern bank of the Thames, was meant for its protection. The darker history of this fortress, which afterwards became the Tower of London, belongs to a later period.

In the smaller provincial towns, and in the country generally, the men of trade, as well as the toiling serfs, were more or less dominated by the Norman barons, or ecclesiastics, and progress was difficult. Marts like Norwich, Lynn, Lincoln, Stamford, St. Edmonsbury, and York, were privileged in the matter of trade, but in the absence of any real bond of sympathy between the nobles and the people there was not room for much expansion. The Normans

knew that they had obtained possession of a country that was far richer than their own in its natural resources—faintly as they comprehended the full extent of those resources—and they were little inclined to yield any portion of their authority lest they might lose the whole.

The Conqueror's chaplain, William of Poictiers, was so enamoured of the country of his adoption that he wrote: "In abundance of precious metals this country far surpasses that of the Gauls; for while, from exuberance of corn, it may be called the granary of Ceres, from the quantity of gold it may be termed a treasury of Arabia. The English women are eminently skilful with their needle, and in weaving of gold, and the men in every kind of artificial workmanship. Moreover, several Germans, most expert in such arts, are in the habit of dwelling among them; and merchants, who in their ships visit different nations, introduce curious handiworks." Although there is an evident touch of exaggeration in this account, it is sufficiently near actuality to explain the satisfaction with which the men from Normandy regarded the land of their conquest.

But they discovered in course of time that the more they relaxed their severity of hold, and made their cause harmonise with the natural aspirations of the people, the more assured became their own position. The changes did not come while the Conqueror lived, nor yet in the time of Rufus; but with the accession of Henry I., and his marriage with Matilda, of Scotland, a more English tone was

given to the sovereign authority, and the two races came to understand each other better. It began to be realised by the people that in spite of the humiliation which had followed their subjugation, the new dynasty had brought in its train some counterbalancing advantages. The burdens of taxation, suit, and service, continued to be gallingly irksome, and the feudal lords were still ostentatious, arrogant, and quarrelsome; but the old distinctions of race and antagonism of interests were fast disappearing.

This social change had a salutary effect upon trade, as well as upon the general life of the nation. The Normans had been the means of introducing more luxurious tastes and habits, and a love of fine clothing and dainty foods; and these things had served to considerably broaden the boundaries of trade, for, in order to minister to the requirements of the nobles, there was increased employment for English ships for the conveying of imported articles, and manufactures of an improved order were set up within the kingdom itself. The trading classes were thus drawn into closer touch with the manufacturers and producers of the various continental countries, most of which were greatly in advance of the English in the fabrication of finer cloths, and in art work of many kinds. But England was rich—rich in money, rich in the possession of valuable minerals, rich in agriculture, and richest of all in the solid sturdiness of its people; and skilled artisans were drawn to England from other parts of Europe to employ themselves more

profitably than at home in their various occupations.

Under the reign of Henry I. the English made their first substantial progress in manufactures. A considerable body of the people were now solely occupied in such matters, and already men of English birth were growing rich by trade and commerce, and, with their communities of workpeople, formed a welcome counteraction to the power of the barons. The rapid growth of boroughs was the natural outcome of this industrial awakening, and it was in these active centres that the real expansion of the race took place. The hopes of the people were closely bound up in the advancement of the trading classes. In the fulness of their sway the Normans had turned a great part of the country into a hunting ground, regardless of ancient rights and common privileges, and lands that had formerly been in cultivation became marsh and forest. The people were not recognised as having any rights apart from the privilege of serving their new masters. But the more enlightened policy of Henry I. did much to lessen the people's load. Every gain to trade was a gain to the serfs. Various municipal charters were granted by Henry, in many of which guilds were sanctioned, and as the craftsmen and the tillers of the soil, and the serfs and retainers of the nobles began to mix together, it was gradually seen that the cause of the people was the cause equally of bondman and freeman.

The towns and boroughs were gradually freed from direct subservience to the manorial

lords by charters which practically gave them independence. By power of association the traders were able to commute their various obligations to the lord by payment of a fixed rent; this sum paid they were free to pursue their avocation without molestation, and the harsh baronial justiciary was superseded by that of the burghers themselves. Henry was English by birth and English in feeling, and was earnestly desirous of doing justice between the new and the old races of his subjects. By his Charter of Liberties he secured the independence of the Church, and by his charters to the towns he secured the independence of trade. Thus "freedom broadened slowly down," and before Henry's death Englishmen were for the first time during Norman rule admitted to the higher offices of the Church; and the first English staple manufacture—that of woollen cloth—was established on a sound basis.

At the beginning of Henry's reign a band of Flemish weavers had been permitted to settle in Cumberland, but the strangers had not been over well received by the northern dalesmen; and in 1110 the King offered them a more acceptable retreat in Pembrokeshire, where, in addition to labouring at their looms, they were expected to keep in check any bands of Welsh marauders that might put in an appearance. This adaptable little community, to which additions were made from time to time, were as clever in arms as in industry, in handling the plough as in soothsaying. While he lived, Henry saw that the Flemings were not disturbed in their new colony, but as soon as his

strong hand was withdrawn, and Stephen's misrule spread anarchy over the land, the Flemish settlers were the first to suffer from the onslaughts of the Welsh rebels. The warrior-weavers, who, in the days of their power, had shown little mercy to their Welsh neighbours, had now as little mercy shown to them; and, to the general advantage of the industries of the country, they were dislodged from their borderland refuge and scattered over various parts of England, principally in the south-western counties, with Bristol as the chief trading centre.

Considerable opposition was shown to the invasion of the Flemings. Wherever they set up their looms, the less skilled English artisans treated their appearance as a menace, not as an aid, to their own industrial labours. The presence of many foreigners among the King's retainers greatly aggravated the feeling against foreigners generally.

The growing of wool had been the prominent industry of England for over a thousand years. Some of this wool had been made up into a coarse kind of cloth that served well enough for the garments of the serfs, peasantry, and ordinary people, but now, by the superior skill of these artificers from Flanders, English looms could be made to produce the finer cloths that even a baron might not scorn to wear. Previous to this time such fabrics—made from English wool—had been mostly imported from Flanders. The wealthier classes thus became the instrument of helping forward the industrial developments of the time, and, notwithstanding

the discontent and opposition of the native workers, the foundations of the great staple manufacture of England were successfully laid.

The art of weaving spread through many parts of the kingdom during the reign of Henry I., Stephen, and Henry II. One of the earliest settlements of Flemish weavers was at Worstead, in Norfolk, where stuffs composed partly of wool and partly of other fibrous material were manufactured, and ever since, in their many varieties, have been known as worsteds, so called, it is supposed, after the town itself. The clothing arts rose to great importance. The English themselves soon became adepts in the manipulation of wool, and in addition to Bristol in the west, and Winchester in the south, Norwich, Lincoln, Hull, Beverley, and York in the east and north, became manufacturing centres of weavers of more or less note. Many guilds of weavers were incorporated for the protection and improvement of their craft, although for a time the Flemish weavers were not admitted to full burghal privileges, being regarded as alien intruders. These restrictions did not obtain for long, however, and under Henry II. all weavers, of whatever nationality, enjoyed equal rights. How powerful these artisans became is evidenced by the fact that in nearly every town in which they were settled they had their guild, or were admitted to the general Guild Merchant, and enjoyed the municipal franchise.

It is to the Flemings that England owes its first prosperity as a manufacturing country. Gervase of Tilbury declared that "the art of

weaving seemed to be a peculiar gift bestowed upon them by nature." For a long period the Flemings practically controlled the woollen and worsted industries of England, and penetrated into Scotland, where the Scottish monarchs afforded them protection, and they proved useful in improving the domestic manufactures of the country. "All the nations of the world," wrote Matthew of Westminster, "are kept warm by the wool of England, made into cloth by the men of Flanders."

London, the heart of the nation, the centre of commercial activity, reflected, and in a manner influenced, the country's industrial expansion. Its position as the chief trading port of the kingdom, its prominence as the seat of political government, and its civic authority and magnificence combined to make it famous. Fitz-Stephen, a monk of Canterbury, of the time of Henry II., was provoked to raptures by the glories of the city. He tells us that the citizens of London were distinguished above all others in England for the elegance of their manners and dress, and the magnificence of their tables. Among the commodities brought by sea to London he enumerates a various and valuable list: "Gold, spices, frankincense from Arabia; precious stones from Egypt; purple cloths from India; palm-oil from Bagdad; furs and ermines from Norway and Russia; arms from Scythia; and wines from France." London had a population of from 30,000 to 40,000, and contained about 140 churches.

Trade was the accepted mark of prosperity in all parts of the kingdom. Cities and towns

became noted only through trade. Even Oxford, as a seat of learning, owes its first eminence to the fact that it was a town of commercial note, with flourishing industries, and a rich trading population, including one of the wealthiest English Jewries. A settlement of Jews was at that period a fair indication of a town's trading importance. The sea and river ports were the most noted centres, however. Bristol did a considerable trade with foreign countries generally, as well as with Ireland; Lynn was a highly prosperous seaport, to which foreign merchants were admitted free of toll; Norwich possessed a successful textile industry, greatly aided by its colony of Flemings; Chester was a port of consequence, owning a mercantile fleet largely employed in importing wines from Gascony, Spain, and Germany; Lincoln was one of the most active seats of home and foreign trade, and was specially favoured by the Norman kings, Henry I. having constructed a canal from the Trent to the Witham, whereby foreign vessels could make their way to and from the city; and Henry II. granted the guild to the citizens, "just as they had it in the time of Edward, William, and Henry, Kings of England." Exeter was the chief port for the export of the minerals of Devonshire and Cornwall, besides having a numerous cloth-making community; Grimsby was much resorted to by traders from Norway and Scotland; and one of the principal seaports of the east coast was Dunwich, in Suffolk, then yielding an annual tribute to the King larger than that of any other town on the same

coast. The east coast ports of Hull, Scarborough, Whitby, Hartlepool, and Newcastle, also ranked high in the list of commercial towns, and York did not confine itself solely to cloth-making, but did a fair shipping trade with Germany and Ireland.

The commercial and industrial growth of the country under the long and peaceful reign of Henry II. was remarkable. England was still far behind the countries of the Continent in manufactures and the skilled industries, but its progress had been steady, and it had reached a degree of trade success that ensured its future position as one of the leading nations of Europe. More or less, trade development was always going on. Trade provided the means by which other elements of national greatness were supported. A purely agricultural people could not have upheld its kings in their wars, its prelates in their religious movements, or its nobles in their magnificence.

The resources of England were put to a severe strain by the fanatical vagaries of Richard I., who, however he may count as a Christian and a warrior, was destitute of any real administrative ability. His excess of zeal as a Crusader blinded him to the requirements of the people he was leaving behind him, and revived in his subjects, in a greatly aggravated form, the old hatred of the Jewish race. In the first place, he compelled the English Jews to contribute largely to the cost of his expedition, and then left them to the mercy of an infuriated people, who attacked and massacred all the Jews they could lay their hands upon. While these terrible

deeds were being enacted Richard was pressing forward towards the Holy Land, his forces being conveyed in the biggest fleet that had ever left English shores—a fleet that it had greatly impoverished the men of trade to equip, but which gave a useful impulse to naval progress. Exaction on exaction followed; Richard was always in difficulties, and in need of large sums of money. To ransom him from captivity an enormous sum had to be raised, and again the trading community suffered grievously. The burden of taxation throughout this turbulent reign kept trade at a deadlock.

John was keenly alive to the value of trade, and made some show of favouring and advancing its interests as against the domination of the baronage and the Church; but, unfortunately, trade had become so crippled by the exactions and imposts of the previous reign that it could not be exploited to such an extent as he had probably presumed. John granted new charters of rights and privileges to the City of London, extended similar concessions to many provincial towns, gave permission for cloth to be manufactured under the prescribed measure, and instituted a system of letters of credit himself, frequently raising money on such documents. But John soon discovered that the barons and the clergy were beyond his diplomacy, cunning and adroit as that was often, and in the desperate conflict in which he was subsequently engaged, his foes at home and abroad so completely monopolised his energies that trade and commerce hardly concerned him.

The barons, however, did not overlook the claims of commerce, and in the Great Charter by which they secured to themselves and the country generally the rights of justice, security of person and property, and good government, they obtained such freedom for commerce as placed it on a better footing than it had previously known. All merchants—meaning all traders—were to be free to travel to and fro without grievous impositions, no fine was to be imposed upon a merchant to the destruction of his merchandise, uniformity of weights and measures was provided for throughout the kingdom, and London and other trading cities and towns had all their old liberties and free customs restored to them.

CHAPTER III.

FROM THE GREAT CHARTER TO THE MAGNA CHARTA OF COMMERCE.

1216–1303.

In periods of political unrest it is difficult for national industries to thrive; and during the unsettled reigns of John and Henry III. the pace of commercial advancement which had been attained under Henry II. was far from being kept up. The good work initiated by the Flemish settlers was suffered to languish. This was due in some measure to the jealousy and indifference of native woollen workers; but a more serious drawback was the adoption of

a fresh fiscal system, that was so vexatiously applied, and so frequently altered, that the trading community never knew for long together how they stood.

It was sought to bring the bulk of the trade of the country, as well as the foreign trade, within the operation of what was called the staple. Primarily, the staple was the machinery employed by the crown for revenue raising purposes, and facilities of custom collection. Everything had to come in under the staple. The towns where alone certain goods and commodities could be sold, exported, or imported, were created towns of the staple; and the traders who possessed the monopoly of exporting the chief raw materials of the kingdom were merchants of the staple. Although existing records do not specially mention the staple until towards the end of the thirteenth century, the references in later statutes to "the staples beyond the sea, and on this side, ordained by kings in times past," make it sufficiently clear that from the days of Henry I. some sort of staple regulations were in force. The restrictions were so vexatious, however, that foreign merchants often evaded them by making secret sales, and smugglers and pirates found great scope for their operations around the coasts.

The chief protection in regard to foreign trade was afforded by the Hanseatic League, a powerful trading confederacy comprising all the principal commercial cities of the Continent, banded together at first simply for mutual security against sea risks, but gradually de-

veloping into a vast trading democracy, with towns and enterprises interdependent. Bruges was the principal mart and depôt for cloths at that time, and the Flemish members of the Hanseatic League traded largely with London, selling to the English the fine Flemish cloths, and receiving in exchange the wools of England. As early as 1220 there were Hanseatic merchants residing in London; and in 1267 Henry III. granted permission for the settlement of a considerable number of Hanse traders in the city. There was no single country of Europe capable of policing the seas, and but for the Hanseatic federation international commerce would have been almost impossible. State control of over-seas commerce was not only inadequate, but almost non-existent, and it fell to this important body of merchants to formulate a maritime code, the spirit of which has endured to this day.

Trade had become of such importance in those Plantagenet times that it was more and more utilised as a provider of revenue. Taxation of land was simple, because applied to a thing of a fixed and certain value; but in making assessments upon the profits of the mercantile classes many difficulties presented themselves, and, in the absence of any properly devised fiscal scheme, the King often came down upon the merchants and traders with some sudden extortionate demand, and they were to a large extent the victims of the royal caprice.

The country was in the throes of both a political and a commercial transition, the

forces in each case being somewhat unmanageable. Henry III. lacked political grasp and steadiness of purpose, and neither knew how to get the best services out of his statesmen, nor how to shape such a commercial policy as the increasing volume of trade demanded. His reign, therefore, was one of many and grievous errors, and the people looked in vain for stability. The country was infested with robbers, and the men of trade banded themselves together for protection on land as the Hanseatic League protected themselves on the seas. In the towns the burghers and men of the guilds were safe; but in the intervening country places travelling except in bands was a matter of great danger.

Henry III. resorted to various devices for raising money. In such matters he showed more ingenuity than conscience, and more daring than discretion. The popular respect for the kingly office was sorely strained at times by his extortion and duplicity, and had it not been for the solid strength of the industrial fabric that was, in spite of many hindrances and interruptions, growing to be a national asset that was to outvalue all the rest, Henry would have brought the kingdom down. As it was, he, at one time or another, played false with every element of the constitution—with the statesmen who served him so well, the Earl Marshal, Hubert de Burgh, and the Earl of Leicester; with the barons, whom he defied and fawned upon in turn; with the ecclesiastics, who nearly equalled him in their rapacity; with the Jews, to whom he showed no mercy

for all their responses in tribute and treasure to his impositions; and with the trading community, whose progress he blocked by a series of tyrannous exactions that was productive of great discontent.

How much trade suffered by the King's imperious exactions may be partly gathered from the enumeration of a few of the demands to which he had recourse. In 1230 he levied a tax upon the Jew capitalists to the extent of one-third of all their movable property; two years later they had to provide him with 18,000 marks; four years later again (in 1236) he levied 10,000 marks upon them; and, when he was at war with his barons, he summoned a special Parliament of Jews, to the number of upwards of one hundred, under the pretence of seeking their "advice," but in reality to call upon them to raise 20,000 marks in his aid—a request which was not resisted. Their pliancy to the King, however, cost the Jews dear. Religious excitement was strong at this time; the movement set on foot by the mendicant Friars was at its height; the Crusades were still in progress; and the leading Church dignitaries forbade Christians to furnish even the necessaries of life to Jews. When it was known, therefore, that the Jews had provided the King with the means of continuing his contest with the barons, the popular indignation rose to a dangerous pitch, and one night, as the great bell of St. Paul's was tolling its summons to the citizens of London to assemble in support of the barons, a cry was raised against the Jews, and the mob set upon them, and did not stay

their hands until over five hundred Jewish men, women, and children had been massacred. Similar attacks were made upon the Jews in the large trading towns in other parts of the country, and the race continued to be persecuted with relentless persistence until the climax of cruelty was reached by the expulsion of the whole race from English territory by the next occupant of the throne — Edward I. Thus there was withdrawn from English commercial life a financial force that had been of great service to it during the earlier years of its upbuilding. This banishment of the Jews from England lasted nearly four hundred years, their return being not formally permitted until Cromwell's time, although some few were quietly trading in the country a considerable time before then.

No regular system of taxation could have kept pace with Henry III.'s prodigality. He was utterly beyond the control of his advisers ; and surrounding himself with a host of Poiteven and Breton favourites — relatives and friends of his Queen, Eleanor of Provence — lavished places and treasures upon them without end. The tax-gatherers could not supply a quarter of the King's expenses, and the barons not only refused to accede to his demand for further supplies, but insisted upon the expulsion of the alien nobles from the royal council.

In 1245 and 1249 Henry resolved upon holding special fairs at Westminster, each to last for fifteen days ; during which time all London traders had to close their shops, and carry their wares to be sold at the fair ; all others fair

throughout the country being also suspended for the same period. But on both occasions Henry was defeated by the weather, and the harvest of dues and tolls which he had been eagerly looking forward to yielded him but very little.

The growing wealth of the London merchants was a daily annoyance to the King. He tried hard to establish claims upon it, but, beyond what they considered a fair gift of monetary homage, the citizens were not disposed to budge. Once Henry kept his Christmas in the city, and distributed orders for goods broadcast, claimed New Year's gifts, and wound up by demanding the sum of £2,000 from the inhabitants. It was rightly said of him that he was "The sturdiest beggar in all England." In 1216 he seized and confiscated all the money in the Mint.

Commerce was, as yet, such an undeveloped power that neither politician nor financier fully comprehended its true relation to the well-being of the country. That it was a pursuit for which Englishmen showed some special ability was clear, but exactly how it should be regarded, and what precise attitude it would be well to take up in regard to foreign trade, were matters upon which there was great diversity of opinion. While Henry III. was eager to turn it to account as a ready instrument of present taxation, with very little thought beyond his own personal requirements, wiser heads were steadily endeavouring to arrive at such a solution of the problem as would permanently benefit the nation at large.

In the latter part of the thirteenth century the fiscal changes were indeed many and confusing. In 1261 a law was passed prohibiting the exportation of wool, and making it illegal to wear any other woollen cloths than such as were of home manufacture; it was soon discovered, however, that this enactment, instead of improving trade, depressed it, and as England was not yet able to produce such fine cloths as the nobles and gallants had been accustomed beforetime to buy from the importers of Flemish goods, the pride of dress—which is one of the mainstays of all textile industries—could not be adequately ministered to. There was not enough native-dyed cloth produced to meet the demand, so undyed cloths had to be worn—a state of things which perhaps might content Simon de Montfort, who approved plainness of attire and disapproved foreign commerce, but was so unpalatable to the general public that the prohibition had to be repealed.

Then in 1271, the last year of Henry's reign, the importation of foreign cloth was again interdicted, the measure being specially directed against the Flemish trade, in reprisal for an extensive seizure made by the Countess of Flanders of all the English wool within her dominions, to settle certain demands for arrears of pay for the hire of Flemish mercenaries. The result of this action was to depress the trade of both countries, and Edward I., on his way home from his Crusade to be crowned, stopped at Montreuil, patched up the dispute, and on his arrival in England commercial relations between England and Flanders were resumed.

But Edward's views in regard to foreign trade were by no means broad, and in 1275 he issued an order making it compulsory on all foreign traders to sell their goods within forty days of arrival, and no foreign merchant was allowed to reside in the country without the King's special license. Such an eternal see-saw was played with commerce that few felt inclined to venture into it. Still Edward I. took a wiser view of things than Henry III. had done, and soon realised that unless the fetters upon foreign commerce were relaxed England would lose much of its trading prosperity; and, in 1303, he placed upon the Statute Book the first comprehensive law touching commerce — the *Carta Mercatoria*, generally known as the Magna Charta of commerce. This law, though weighted with irksome restrictions, opened the door to a great increase of foreign commerce. It permitted the merchants of Germany, France, Spain, Portugal, Flanders, Tuscany, Brabant, and other Continental trading countries to bring their merchandise into England, and sell it *wholesale*, "to natives as well as foreigners," and to reside within the realm if need be, and enjoy the same legal protection as Englishmen as regards the "merchandise called 'merceries' —haberdasheries, and general small wares— 'as also spices,'" which could be sold retail as well as wholesale. It was further provided that foreign merchants might, "upon payment of the usual customs, carry beyond sea whatever goods they bought in England, excepting wines, which, being once imported, might not be sent abroad again without the special license of the

King. Wherefore all officers in cities, towns, and fairs were commanded to do sure and speedy justice to all foreign merchants, observing these three points especially: First, that on any trial between them and Englishmen the jury should be one half foreigners, when such could be had; secondly, that a proper person should be appointed in London to be judiciary for foreign merchants; thirdly, that there should be but one weight and measure throughout the land."

There was one ancient hardship that was continued; every resident foreigner was held answerable for the debts and delinquencies of every other resident foreigner of his own community; and at times this law pressed with great severity upon unoffending people; but in its general effect the Charter was productive of immense good to trade, and showed that Edward I. in some respects was more advanced than his subjects.

This Charter put England into closer touch with the great mediæval trading cities, marts, and organisations, and from that period dates a more intimate intercourse between Flanders, its merchants, traders, manufacturers, and artisans, and England. Flanders was then the most prosperous commercial country in the world; no cloths were so fine or commanded such universal favour as those from Bruges, Courtray, and Ypres. The *Carta Mercatoria* let in the full stream of European commerce, and the more goods the English bought from the foreigners the more English wool and hides and other native products did the foreigners

purchase. The Venetian trading fleets, bringing the rich commodities of Eastern lands, now paid more regular visits, and the Florentines, the Germans, the Spaniards, and others were able to find ready sale for their goods in England. Edward's charter was the first distinct advance that England had made in the direction of free trade, and it was the example of Flanders, whose prosperity had been built up by free commerce, that had inspired Edward with the spirit of emulation.

The English people, however, were not especially favourable to the Magna Charta of Commerce. Town, municipal, and guild life had drifted into a system of rigid protection, and every possible effort was made on the part of local trading bodies to stifle competition—more particularly foreign competition. Towns that were hostile to each other on matters of home industries combined together in hostility against the foreigner. But even the towns and guilds were often brought to perplexity by these selfish tactics; after their restrictive regulations had driven the foreigners from their markets trade would begin to dwindle, and the protective policy would be suddenly relaxed, and fresh inducements offered to win the strangers back.

The *Carta Mercatoria*, with all its defects, was an era-marking enactment. It was a wave of advancement that carried English trade many points higher. There was an after receding, it is true, as is so often the case when anything specially forceful has been accomplished, but the tidal mark remained, and was not to be lost

sight of until still another wave of commercial advantage should make a higher record.

What impresses one the most in the survey of any fairly long period in the history of English commerce is the fact that trade progress continues from one period to another, even though in the matter of the general working of the State the country may be racked and convulsed. Wars, civil and foreign; famine, plague, misrule, and tyranny of various kinds, may keep the country in ferment and agitation; but the men that work, and have in their keeping the life of commerce, go on through storm and sunshine, "still achieving, still pursuing," and the empire continues to hold together in spite of the worst that the wreckers can do.

The most serious mistake that Edward I. made in connection with trade was his tyrannous outburst when the barons refused to sanction his financial demands for the campaign in northern France in 1297. He set a tax upon the exportation of wool, which the merchants called "The evil toll," made extensive seizures of the commodity, taxed the clergy, and lost his head, much as Henry III. had been accustomed to do on similar occasions. It was not until the barons and the citizens of London boldly resisted his levies that the King was brought to his senses; and then he not only consented to confirm afresh the two Great Charters, but subscribed to new clauses which made it illegal for an English King to raise money by taxation without the approval of Parliament.

Some of the more salient features of progress

from 1216 to 1303 may be briefly indicated. The liberty of the subject had been greatly extended. The barons, striving mainly for their own ends, had been the means of broadening the Constitution, and from the small beginnings of a baronial council had forced into permanent life a Parliament that represented the popular as well as the aristocratic element, and gave all classes a voice in the government of the nation. Many privileges which royalty had forcibly taken upon itself, to the detriment of the commonweal, had been annulled or withdrawn; the dispensation of justice had been placed in the hands of the people by the adoption of trial by jury; the holder of the kingly office had been taught the salutary lesson that there were limits beyond which extravagance and extortion would not be borne; and much had been done to restrain the oppression of ecclesiasticism. The more irritating features of feudalism had been gradually moderated; subinfeudation had been abolished by the *Quia Emptores;* and villeinage had been reduced to such a diluted kind of serfdom that there was little or no impediment in the way of a villein passing into a town and attaching himself to a handicraft. Wales had been conquered, Scotland reduced to subservience, and abroad the French had been made to fear the power of the English arms. England, indeed, loomed larger on the European political and commercial horizon when Edward I.'s *Carta Mercatoria* was passed than ever it had done before. The eighth Crusade had covered Edward with glory, and after that England was content

to let crusading alone as a fruitless occupation; though indirectly, as so often happens in matters of trade and commerce, out of the evil that this chivalrous fanaticism wrought sprang a fuller conception of the world beyond England, and a knowledge of navigation which tended materially to promote trade with foreign nations. But the thing worth noting more than all was the fact that trade and commerce had forced themselves into wider recognition. The barons themselves paid a splendid tribute to England's new commercial greatness when, in 1297, they included in the list of grievances they delivered to Edward I. the statement that one half of the wealth of the kingdom consisted of wool.

But, considerable as the commercial and industrial progress had been, many drawbacks existed, and many things were done and permitted that were not exactly in the nature of trade expansion. For instance, coal, which had been known to the monks and men of the north for centuries, and occasionally used, was treated as such an obnoxious and offensive thing that the burning of coal in London was made a *capital* offence, and it is said that in the time of Edward I. a man was actually hanged for breaking this law. The days of those mock heroics that went by the name of chivalry had not yet entirely passed; jousts and tournaments were indulged in; bows and arrows were still the arms of the soldiery; trial by combat survived; and the perils of travel by land or sea were indescribably great.

But the good work of commercial expansion went on; London's fame as a world mart in-

creased year by year, and in various parts of the country large industrial towns and ports were growing up, and attracting traders from all parts of Europe. Bristol, Chester, Winchester, York, Lynn, Hull, Norwich, Dunwich, Lincoln, and Grimsby were all more or less flourishing centres, and, although England was still greatly behind Flanders as a manufacturing nation, there was a distinct promise in the island outlook, and already much that the British race might be justly proud of. The population of England was perhaps 4,000,000. There was a royal fleet of fair proportions, but no regular army. Every capable man was practically at his country's call in an emergency. There was, perhaps, a greater community of interests in those days than is generally believed. No man was without the pale of progress, and as the genius for trade asserted itself the old feudal spirit waned.

CHAPTER IV.

FROM THE "CARTA MERCATORIA" TO THE PEASANTS' REVOLT.

1303–1381.

THE full commercial freedom granted by the *Carta Mercatoria* was not long enjoyed. Hardly had the law come into force than the fear arose that greater privileges had been granted to foreign merchants than were consistent with the best interests of the home traders; and the

latter were not slow to encourage this idea. It was complained that merchants from France, Flanders, Germany, and Italy, while selling their own wares freely in England, were chary of purchasing English commodities in return; and in 1307 Parliament passed a law prohibiting coined money or bullion to be taken out of the kingdom—a measure which forced the foreign merchants either to return to the primitive method of barter, exchanging goods for goods, or to invest the proceeds of their sales in English commodities.

The immediate effect of this was to cause many foreign traders to carry their wares to other markets, while numbers of those who continued to come resorted to evasive practices which were to the general detriment of trade. This restrictive enactment was one of the last acts of Edward's reign. He died in the same year in which it was passed, and, in the agitation of his last fierce campaign against the Scots, probably gave little thought to its real tenour. Moreover, trade had now a voice of its own in the councils of the land, and was not lightly to be disregarded. It was also one of the chief providers of the "sinews of war," and expected —and often insisted upon—favours in return for its monetary contributions.

But hard as the prohibitory principle was pressed, it was soon discovered that to attempt to enforce it all round would be bad policy; and one of the first acts of kingly authority performed by Edward II. was to exempt the merchants of France from his father's interdict. Other exemptions followed. Individuals pro-

fited largely during this period, but the trade of the realm as a whole went at a slower pace than it would have done had the *Carta Mercatoria* been permitted an uninterrupted course.

It was not a little curious that while international trading transactions were being thus outwardly fettered, the comparatively new science of commercial finance was able to afford a measure of relief. Bills of exchange were beginning to be utilised, and it was permissible to remit this kind of paper to foreign merchants in payment abroad for goods, so that practically one law was used to defeat another. Though the bill of exchange was not actual money, it represented money, and was turned into that commodity abroad without getting into circulation in England, or being utilised for the purchase of English goods. The trading situation was full of inconsistencies. The desire to get the better of the foreign merchant was responsible for many wrongs and anomalies, and kings and parliaments were sorely perplexed as to what course to pursue for the best —a state of things which led to much rash and haphazard legislation, and a great deal of doing and undoing, which did not tend to promote commercial honesty.

Edward II. did not concern himself much with trade, nor did his Parliament, or his barons, or his favourites. In the twenty years of his inglorious reign the various powers of the State were in too serious conflict to admit of much attention being bestowed upon the arts of peace. What trade accomplished was of trade's own achieving. It did not stop because

the King and his barons wrangled and warred over the arrogant favourite, Piers Gaveston; nor because of the defeats and disasters sustained by the royal forces in Scotland; nor because of the fierce conflict that raged round the rise and fall of the King's later favourites, the Despensers; nor even because of the four famine years of Edward's reign, when wheat was more than double the ordinary price, and many people perished of hunger. The men of the guilds and the burghs and the towns, though often distracted by the civil commotion, stuck to commercial pursuits, and evidences of general progress were not wanting.

It was about this time that coal began to come into more general use, and had some little direct commercial significance attached to it. The Romans had probably utilised the mineral to a small extent; and in the eleventh and twelfth centuries the northern monks and certain smiths had made use of it; it had also been recognised as a commercial commodity by a charter granted to the freemen of Newcastle by Henry III.; and the name Sea-Coal Lane in the City of London, which is mentioned in a charter of 1253, points to the sale of coal in that neighbourhood. London, however, did not take kindly to coal at first, and Parliament complained to the King that the air was infected with its smoke, which led to a proclamation being issued prohibiting the further use of coal in the metropolis, and ordering all furnaces and kilns where coal should be found to be destroyed. Still, the freemen of Newcastle continued to work their coal mines, and not long afterwards

they were not only sending further supplies to London, but exporting considerable quantities to France. The alliance of this mineral with the iron trade, however, was not yet seriously thought of. There was a "King's iron mine" in Newland, in the Forest of Dene, a tithe of the profit of which was ordered to be given to the church of Newland. In 1312 the constable of Knaresborough Castle was ordered to "maintain the iron mine there as has been wont." There were also mines in Derbyshire and Glamorgan, as well as the King's mines in Devonshire and Cornwall. The operations in these mines, moreover, must have been considerable.

It was in connection with wool and its manufacture that the industrial expansion during this period was the most marked. In the linen manufacture a fair increase was also shown, but it was upon wool and woollens that the commercial prosperity of the country depended. So important had the industry become that the legislature resorted to exceptional measures for its protection, and the staple restrictions previously referred to were greatly strengthened. In 1313, at the very time when Bruce was playing havoc with Edward's forces in the northern counties, a charter was conferred upon the mayor and council of the merchants of the staple, granting the privilege of naming one particular foreign town as the only place to which English wool and woolfels should be exported for sale. Acting on this order, Antwerp was made the export staple, and "all merchants, whether native or foreign," were en-

joined to make that city the sole foreign mart for the sale of English wool and woolfels, "instead of carrying them for sale, as they had been wont to do, to several places in Brabant, Flanders, and Artois." From time to time, however, the King took it upon himself to vary this charter, and in 1326 the staple was withdrawn altogether from the Continent, and granted to towns in England and Wales, Cardiff — Despenser's stronghold — being one. Wool, woolfels, and woollens were of such value as revenue producers that new orders and proclamations regarding their sale and export were continually being promulgated, and the officers of the customs were so zealous in the performance of their duties that they often made demands and seizures, especially where foreign merchants were concerned, which were in excess of their rights.

The wide extent of the manufactures of wool and flax then existing is indicated in a writ of 1315, defining the office of Alnager of "canvas, linen cloth, napery of England and elsewhere, Wadmell, Heydok, Mendeps, Kerseys, says of Louth, Worstead, Norwich, Ireland, and Canston, and all other says and scarlets, and all kinds of cloth of Lincoln, Essex, Norfolk, Suffolk, Kent, Stamford, Beverley, St. Osith, Devon, and Cornwall." Thus, in nearly all the chief centres of population throughout the kingdom, manufactures of woollens or linens were established. There was a settlement of Flemish cloth weavers and merchants at Berwick, and right gallantly did they defend their factory, Red Hall, when the town was besieged by the English. There

was also some exportation of manufactured cloth from Ireland.

It is in the records of Edward II.'s reign that the name of worsted is first distinctly mentioned as an article of clothing; but the manufacture of this class of goods (an adaptation of long wools to the production of light non-felting fabrics) must have been of much earlier date in England. Numerous varieties of worsteds were at this time in use in England, and most of them, it is fair to assume, were manufactured in the country. There were says, or saies, used for the finer garments; serges for curtains, hangings, and coarse articles of dress; marbres, a worsted cloth of marble design; bombazines, twilled, mixed fabrics; tiretaines, of the serge class; and camlets, in which camel's hair was originally used, costly stuffs reserved for people of rank.

Considering the comparatively small population of the period, and the fact that the majority of the people were more or less engaged in agriculture, the manufacturing interests must have been relatively extensive. The pursuit of wool-growing was distinctly agricultural, and, as spinning and weaving were domestic occupations, the cultivation of the land, the growing of wool, and the woollen and worsted manufactures could be carried on conjointly. Nearly all the great landowners took advantage of the increasing demand for wool to become sheep farmers; for, much as the nobles might look down upon trade, they were always ready to participate in its profits. When the castles and the belongings of the Despensers were

seized by the barons, there were carried off, among other live stock, ten thousand sheep from the estate of the son, and twenty-eight thousand from that of the father.

Trade and industry having done so well in spite of the distractions of Edward II.'s incapable reign, a mighty impetus of improvement was witnessed after the deposition of that monarch in 1327, and the better rule that ensued. There was plenty of fighting during the long reign of Edward III., in Scotland, in France, and elsewhere, and the King was a man of no small military capacity, but he did not lose sight of the commercial interests of the nation, partly because their success ensured him of revenue for his wars, and partly out of real sympathy with, and a just appreciation of, the value of commerce. Like his predecessors, he was guilty of serious blunders now and again in his attempts to reconcile the emergencies of taxation with a due encouragement of trade expansion; but it stands to his credit that, perceiving where the weakness of English industry lay, he strengthened it by the introduction of large numbers of Flemings, to whom he gave (to quote the quaint words of the author of "The Golden Fleece" (1599), "not only a free denization, but he likewise invested them with privileges, and immunities beyond those of his native subjects." Many families were brought over, the greater part of whom settled in Kent at first, but gradually were scattered over other parts of England. These imported artisans included dyers and fullers, as well as weavers, and they were so successful,

and were so well taken care of, that they were soon joined by others of their countrymen, and England began to manufacture the finer cloths, as was done in Flanders, Brabant, and Zealand.

The new commercial policy proved very beneficial to the country, and many protective enactments were passed with the view of still further favouring native manufacturers. Often these prohibitions were carried to such an extreme as to produce the contrary effect to what had been intended. In 1337 it was made a felony to "transport any wool of English growth beyond the seas"; foreign clothworkers were assured of special privileges; and none but the royal family were permitted to wear any cloths made abroad. Furthermore, a tax of £1 per sack was laid upon all wool employed in home manufactures. But the prohibition against the exportation of wool was frequently dispensed with, special licenses, in the nature of monopolies, being granted from time to time. From this period a considerable exportation of English manufactured cloths took place, and a duty was imposed on all such goods, the "King, prelates, counts, and *autres gents*" deciding that it was good "reason that such profit be taken of cloth wrought within the realm and carried forth, as of wools of the land, rateable the cloth as the sack."

Edward III. was generally under such a heavy war expenditure that taxation on a large scale was necessary, and under the glamour of such victories as Crecy, Poictiers, and Calais his subjects were not disposed to quarrel with his numerous exactions, much as he exceeded his

prerogative, until towards the end of his reign when the poll tax and other irregular imposts increased the burden beyond the point of endurance. Wool often came to the rescue of a depleted treasury, being the trade commodity of greatest importance, and the easiest to collect taxes upon. For a considerable period £60,000 a year was received from the wool imposts, the levy being made on each sack of 26st. One year Parliament granted the King twenty thousand sacks; another year, thirty thousand; and in 1339, when he invaded France, he was allowed "the tenth sheep, fleece, and lamb."

With so much erratic taxation, and so many changes in staple laws, it says much for the vitality of native industries that they continued to flourish. In 1328 staples were abolished; in 1332 fresh staples were ordained in several places within the kingdom; in 1334 these were put an end to; in 1338 Calais was made the foriegn staple for seven years; in 1353 many fresh staples were conferred upon towns within the kingdom: Newcastle, York, Lincoln, Norwich, Canterbury, Chichester, Exeter, Bristol, Westminster, Carmarthen, Dublin, Waterford, Cork, and Drogheda. And so the changeful course was kept up, until staples and restraints became an absurdity as well as a hardship.

It was during the reign of Edward III. that the guild system received a reorganisation that was intended "for the greater good and profit of the people." Forty-eight new guilds were incorporated in London alone, and similar associations were multiplied in the large towns.

Over a hundred towns enjoyed Guild Merchant privileges. The merchant guilds and the craft guilds assumed the control of trade at the time when control was most needed—before the State had gauged the requirements of the rapidly developing force. Although to an extent monopolistic, the guilds served the purpose of mutual aid such as to-day we find embodied in a modern benefit society, and were a protection against fraud as well as against inferior workmanship. They acted as an official civic body, and formed part of the municipal government. As regards manufactured goods and merchandise generally, they set the standard of quality, price, and remuneration, and took upon themselves duties corresponding to those performed in our time by Chambers of Commerce, often taking the initiative in suggesting amendments of laws for the benefit of trade. In the same way the Craft Guilds protected the interests of their respective crafts, much as modern trade unions protect the workers of to-day, and it was under their influence that the apprentice system grew to be so essential a part of British industrial life. The Craft Guilds kept pace with the expansion and subdivision of industries, and did much to weaken the older Merchant Guilds, many master craftsmen becoming rich employers, and specialisation was carried to such an extent that even crafts came to be divided into two distinct classes—mercantile and manual crafts. The guildsmen were often harsh and oppressive to non-guildsmen and strangers, and acted throughout in a spirit of intense selfishness, but every unjust protective measure was

followed by the penalty of a restricted trade, and, generally speaking, the effect of the working guilds—that is, so long as they were a necessity—was for the good of the community at large. There was an undoubted preponderance of good in these institutions, and they were so representative of the time that even landed proprietors who were not connected with trade—except, perhaps, to the extent of being wool-growers—found it to their advantage to join the local guild, for the sake of selling the products of the small home industries of their villeins, as well as the produce of their lands.

The realm of trade was now so important that it began to produce kings of its own. Men became rich by commercial and trade ventures, and their wealth attracted both the homage of the class from which they had risen and the regard of the nobles and of the King himself. The power of money asserted itself. The man who had enriched himself by trade was worthy of being courted. He could be utilised, and for such services as he might render to the King or the nation could be rewarded. One of the great English merchants of Edward III.'s time was William de la Pole, the Hull trader, who, being able to lend to his King "great sums" for the French expedition of 1339, was greatly honoured by His Majesty, and appointed Paymaster-general, and his son Michael became Chancellor and Earl of Suffolk under Richard II. English merchants had attained a degree of prosperity that put them on a level with the merchants of Flanders, and the celebrated company of Merchant Adventurers, which

afterwards rose to such distinction, was doubtless in existence at this period. They claimed to have been founded a century earlier, but probably were not an active organisation before the cloth industry began to flourish under Edward III. Under this King the merchant traders found larger scope for their ventures, and formed themselves into separate fraternities or mysteries. As the "Libell of English Policye" tells us, the King—

> hadde a manere jelosye
> To his merchauntz and loved them hartilye.
> He felt the wayes to reule wel the see,
> Whereby merchauntz might have prosperitee.

Another old writer, inspired by patriotic pride, says, "Concerning your marchauntes of France, we have also marchauntes in England, who frequenteth all the partes of the world for traffique of marchaundyse. And especially II companyes, that is to say, the ryght worshypful company of marchauntes adventurers, and the famous felyship of the Estaple of Calais, by whom not only the marts of Barowe (Bruges) and Antwarps be mayntened, but also in effect all the townes of Brabant, Holand, Zeland, and Flanders."

The foreign element was by this time strongly manifested in both the artisan and the merchant class. The De la Poles were Normans—many of the most successful resident traders were Germans, and, as we have seen, the leading artisans — the men who were perhaps most responsible for the growth of English industry, were mostly Flemings. For more than a hun-

dred years there had been a German Guildhall in London, which served both as an exchange and as a place of residence for the Teutonic merchants. They formed a branch of the Hanseatic League, and for hundreds of years they kept their colony together in what was called the Steelyard, on the site now occupied by the Cannon Street Railway station, and in the period under notice exerted great influence upon English commerce, although holding themselves aloof in all but matters of strict trade from the English people. Their business methods, however, taught the natives a good deal, and from this close corporation of foreign merchants sprang many men of wealth and distinction. The time ultimately came when native prejudice was too much for them, and they had to give up their colony, but during the reign of Edward III., and long afterwards, they were an undoubted strength to English trade.

All this time the population of England was but comparatively small. London contained about 35,000 inhabitants; York, 11,000; Bristol, 9,500; Coventry, 7,000; Norwich, 6,000; and Lincoln, 5,000. No other English town exceeded the last-named figure. In all the towns markets were held on appointed days in each week, the staple towns coming first in importance from a commercial point of view. Then there were the great fairs as in a former time, those of Winchester and Stourbridge being the largest all through the mediæval period. To these fairs came foreign merchants as well as traders from all parts of the kingdom, and everything was bought and sold at these

gatherings, from precious stones to herrings, from costly silks to homely buckram.

The prosperity of the country received a terrible check by the breaking out of the great plague of 1348, whereby, it is said, about one-third of the population perished, the losses being greatest in London and the industrial towns. This frightful visitation, coupled with the previous years of famine, had the effect of hindering trade, and ill-considered legislation had increased the difficulty of providing a remedy for it. To correct the evils of the famine all articles of food were ordered to be sold at certain prescribed prices, which led to such a derangement of supply and demand that the main items of food were practically unobtainable. And this law had to be speedily repealed.

The same mistake was made in attempting to interfere with the ordinary course of supply and demand in the matter of labourers' wages. The plague had so denuded the ranks of the labourers that there were not sufficient hands left to till the soil or perform the manual craftsmen's duties ; consequently higher wages were demanded—50 and 60 per cent. increase having to be paid in many cases. This state of things was much resented by employers, and, in response to their entreaty, in 1349, the King issued a proclamation, which was afterwards ratified by Parliament, as the first Statute of Labourers, forbidding the payment of any higher wages than " the wages accustomed to be given " three years before. The enactment was not only ineffective in its main purpose,

but bred bad blood between the labouring classes and the rich. The tone of the Statute was insulting; it branded the peasants afresh with the stigma of serfdom, and naturally fired them with feelings of revolt. It accused them of idleness and greed, spoke of "the lusts especially of ploughmen and such labourers," and indignantly condemned "every man and woman of our realm of England, of what condition he be, free or bond, able in body, and within the age of three score years, not living in merchandise, nor exercising any craft," to serve at the old wages. The law was practically a dead letter. Labourers refused to work on the prescribed terms, for the very good reason that to have done so would have meant starvation, at the high price to which victuals had been forced; and the peasants were in such a mood that the lands would have had to go untilled had not the landowners taken them back at the higher wages. Not even the passing of a further Statute of Labourers, in 1360, prescribing imprisonment to those who still declined to take the former wages, and branding with hot irons in the case of fugitives, could compel obedience; and, having taken that firm stand for their rights, they never again fell back to their old degradation.

This changed condition of things compelled the landowners to relax their personal hold upon the cultivators of the soil, and they began to allow tenant farmers to occupy small holdings at low fixed rentals. Thus, in no long time, there grew up a sturdy yeoman class, emancipated from ancient ties and restrictions, and

the older form of villeinage was practically extinguished.

The labouring people now aspired to a higher social status and recognition, and the eloquent preaching and teaching of Wiklif, and the new "wandering friars," and the growth of Lollardism generally, hurried the movement forward. For several years now there was great distress among the rural population. There was another severe famine in 1369, and neither from the landowners nor the Government was there much hope of relief or redress. Edward III., after making an unkingly end of a career that on the whole had been marked by dignity of character and concern for the country's prosperity, died in 1377; and although the youthful Richard II. was assured of a good deal of personal popularity at the outset of his reign, the people were not long in discovering that he was little disposed to favour their cause, and the troubles that followed were aggravated rather than alleviated by his public policy, whether directed by his nobles or initiated by himself. The right of free speech was forcing itself into recognition, and when the Kentish priest, John Ball, told the people that "things would never be well in England so long as there were villeins and gentlemen," and demanded to know by what right "they whom they called lords" were greater "than those who had pain and labour, and the wind and rain in the fields," he was permitted to have his say. The peasants had another powerful advocate in the author of "Piers the Ploughman," whose outspoken championship of the lowly was the first English

literary effort on behalf of the labouring people. Chaucer had struck his genial descriptive note for the amusement of the educated classes ; but Piers, with desperate earnestness, drew the dark side of the picture, and when further attempts were made to force the old bondage upon the peasantry a resistance was offered that was greatly disconcerting to the ruling classes.

The Peasants' Revolt which followed was a cruelly provoked contest between capital and labour, landowners and people. The landowners, abetted by other employers of labour, and by all who were in power, were primarily responsible for much of the new oppression ; it was their selfish pressure that led to the enactments and taxation which drove the peasants into rebellion. The iniquitous poll-tax, by laying burdens upon the poorest of the population, already groaning under other harassing impositions, roused the people into action, and the whole country was alive with insurgents. The story of the outbreak is familiar enough, —the march on London of Wat Tyler and his followers, Richard's false promise of redress, Tyler's assassination by the Lord Mayor of London, and the King's threat, when the revolt had been suppressed, to make the old bondage even still worse. What more immediately concerns the subject of our narrative is that, much as the nobles and landowners and capitalists prided themselves upon having achieved a victory, the gain was really with the labouring classes. They had shown their strength — proved what power they could combinedly exert if goaded by continued wrong

—and, to all intents and purposes, villeinage was at an end; and English workmen—both those of the land and those of the trades—thenceforward were comparatively free agents, at liberty to make the best bargains for their services that they could.

CHAPTER V.

FROM THE GREAT REVOLT TO THE DISCOVERY OF AMERICA.

1381–1492.

THE laws affecting trade passed during the remainder of the reign of Richard II. may be briefly enumerated. They were mostly in the nature of restraints and fiscal exactions. Calais was alternately granted and deprived of the privilege of the staple, until 1398, when the right was finally confirmed, and remained with the town until it ceased to be an English possession. Wools, woolfels, and leather were the articles that the revenue authorities chiefly concerned themselves with, and rich was their yield; the customs on wool exported in 1391 amounting to £160,000, which was by no means a record year. In the previous year, avowedly to keep up the price of wool (*por meutz garder le haut pris des leyns*), the foreign merchants had the entire export trade in wool placed in their own hands; Englishmen being forbidden to buy wool except for their own use, and from the owners of the sheep. It was beginning to

be realised that the foreigners were of great importance to the revenue; and in the same year (1390) the restriction compelling foreign merchants to spend in England the whole of the amounts they received for the goods they brought into the country was relaxed, they being now permitted to carry away one half of their receipts. Corn, which at one time had been largely exported, was prohibited from being sent out of the country in 1382, but twelve years later it was allowed to be sent to any country not hostile to England. Another attempt was made in 1389–90 to set up a limitation of labourers' wages, and to fix the prices of bread and ale; but it was easier to pass such laws than to enforce them, and the law-makers had too many other matters on their hands just then to follow up their contradictory legislation by any rigorous compulsion. The discontent, however, was not confined to the working classes; Richard II. had not a shred of authority left when many of these laws were enacted, and the barons were more anxious to protect their own order, and to foil the King, than to help the labourers or advance trade. The deposition of Richard in 1399 made a clearer course for progress; and Henry IV., in the intervals of peace that were allotted him, showed himself well disposed to native trade and industry. In the intervals when he was not suppressing the Lollards, or fighting against rebellious subjects in Wales or the north, he and his Parliament now and then turned their thoughts in the direction of trade. But the old notion still prevailed that unless foreign merchants bought

English goods with the money they obtained for their own wares, the country would suffer ; therefore, when in 1402–3 acts were passed restoring the law which Richard II. had half repealed, Henry imagined he was doing a good turn to native traders.

After a very brief experience it was found impracticable to carry out these regulations, and they were in the main abandoned as "hurtful and prejudicial." Foreign merchants now received greater encouragement than ever. Permission was given to the Venetians to bring their vessels and merchandise ; and from that time forward for many years the great trading fleet of the Republic of the Doge continued to make its annual visits, bringing silks, velvets, damasks, spices, senna, scampony, and such "licking stuff," as Hakluyt has it, and considerably extending the list of English imports.

Henry was jealous of the rights of his trading subjects, and when a grievance was put before him took active measures to redress it. Thus he compelled the Dutch to pay debts due to English merchants, and in the long-standing dispute between the Hanseatic League and the English as to the non-observance of certain commerical treaty rights he forced the matter to arbitration, saw right done (although the decision was largely against the English), and then negotiated a new treaty giving mutual freedom of trade between the Hanse towns and England ; afterwards concluding equally favourable treaties with Castile, Portugal, Flanders, Zealand, Brabant, Holland, and Brittany. It was by such a liberal policy as this that Henry

IV. helped to widen the English commercial boundaries.

Henry V., while achieving his glorious but expensive victories in France, impoverished England, hindered its commercial development, and drained the country of a large proportion of its labouring population. Agincourt and Harfleur could not compensate the English trading classes for the heavy burdens that the war had laid upon them, or for the restless spirit of adventure which had been engendered in the men who had previously been willing workers at the looms, or the bench, or the farm. It took many a long year for the glamour of military glory to die down, and allow of a return to peaceful customs.

It was pretty much the same story throughout the long reign of Henry VI.; English trade fighting for itself against heavy odds, and the English King and English armies fighting, for the most part unsuccessfully, against the French. The legislation of the period, as far as trade was concerned, constituted a long catalogue of vexatious restrictions. The goldsmiths, who were now a powerful body, had their trade regulated in its various details; shoemakers were prohibited from making shoes "with any pike of poleyn that shall pass the length of two inches," and from working on Sundays; makers of hats and caps were not allowed to use mechanical power, but only "men's strength, that is to say, with hands and feet"; wax chandlers could not sell their candles, images, and figures at a higher rate than 3*d.* per lb. over the value of the raw material; and tanners were pre-

vented from selling leather of " inferior quality." In the growing, and now great, textile industries, the same spirit of interference was shown. Regulations were prescribed as to lengths of cloth pieces, as to the dyeing thereof, as to exports and imports, and so on ; indeed, the operations of the traders, merchants, craftsmen, and labourers, from the top to the bottom of the scale, were so much under surveillance as to give the impression that the men of the English industries were only honest and fair-dealing by compulsion.

Still trade, as a whole, steadily advanced, and the condition of the agricultural population became more satisfactory than it had been since before the passing of the first Statute of Labourers. Wages were proportionately as high probably as they are at the present day. They did not leave much margin for the exercise of thrift, but they sufficed to keep the people with food and clothes and a little over.

But however it fared with the men who worked with their hands, there was increased scope for their employers, and for the larger traders. It is now that we begin to hear of merchants attaining to a height of wealth that gives them as conspicuous a place in the public eye as the statesmen and nobles with whom they were contemporary. We have already seen to what eminence the De la Poles of Hull rose as the result of their successful trading. To this period belongs the history of the great Lord Mayor Whittington, who was London's chief magistrate four times. He was a member of the Mercers' Company, accumulated a vast

fortune by his trading transactions and loans to Henry IV. and Henry V., and his benefactions were on a more than princely scale. Several other London merchants of this time seem to have acquired equal opulence, John Norbury and John Hende being specially mentioned in connection with royal loans and public munificence ; while at Bristol the Canyngs, by their sea ventures, won fame and riches ; and John Taverner, of Hull, who built the biggest ship of his time, was not less distinguished. The prominence of great traders like these inspired men of all classes with the spirit of emulation. Nobles and Church dignitaries had their trading ventures as well as the merchants, and occasionally the King himself was tempted to enter upon some commercial speculation. While the princes and nobles were in conflict during the thirty years of the Wars of the Roses (1455–86) the industrial classes, as a whole, managed to maintain a fair measure of prosperity, the followers of the rival Yorkists and Lancastrians including but a small proportion of the craftsmen and artisans, while very few of the great merchants actively espoused either side, though their sympathies were in favour of the Yorkists. Even Jack Cade's insurrectionary movement, which was started in Kent, then the chief seat of English manufactures, was only a momentary ripple on the surface of trade development.

Under Edward IV. the interests of trade were advanced, mainly, however, by its own assertive power ; and several favourable trading treaties were entered into with the commercial nations

of the Continent, more particularly with the Hanseatic League, some old disputes being patched up and extended privileges granted. The King's favour to the various merchants and mercantile associations was assured by the fact of their ready response to his demands for loans in his many periods of monetary difficulties. The merchants of Calais were wealthy enough to let his Majesty run into debt with them to the extent of over £40,000; and from various other trading sources he also borrowed largely, all of which facts are good evidence of the growing strength of the mercantile classes.

During Richard III.'s short reign of two and a half years several Acts were passed relating to trade, but these laws were mostly of the prohibitory order, intended to protect native traders against the supposed encroachments of foreigners, who were daily getting a firmer hold in London and the large towns. In the following reign, when peace came in with the first of the Tudors, Henry VII., the trade outlook soon showed a marked improvement. The new King took a saner view of the commercial situation than his immediate predecessors had done, and encouraged commercial enterprise not only for its own sake, but as the best means of weakening the power of the barons. He strengthened the clothing industries by inviting over many more Flemish cloth manufacturers, and introduced new regulations as to the exportation of wool and the manufacture of woollen cloths, which were, on the whole, beneficial, although even then the foreign merchants were somewhat hardly dealt with,

they not being able to purchase until the needs of the home manufacturer had been ministered to, when they were permitted to take the surplus at double the ordinary rate. The very considerable trade that was done at this time with the Netherlands suffered temporary interruption by the espousal of the cause of Perkin Warbeck by the Archduke Philip of Burgundy. Henry banished all Flemings from the country, removed the wool and cloth staple from Antwerp to Calais, and stopped all commercial intercourse between the two countries. For three years this condition of things lasted, and trade grew so sick that at the entreaty of the trading communities of both countries a fresh treaty was entered into by which the English gained so many new advantages that the Flemings called the treaty the "Intercursus Magnus." The old selfish policy of extracting as much as possible from the foreigner, and giving him as little as possible in return was continued, the true economics of trade being still far from rightly comprehended. It was to trade's advantage that Henry VII. was avaricious, for his desire for riches made him anxious to keep the chief source of wealth free to prosecute its aims and ambitions. His appeal to his subjects through his Chancellor Morton, "to maintain his revenues of customs, and all other natures, as also to supply him with your loving aids," was not disregarded, and, with the exception of the period of reprisal against the Flemings in the Warbeck affair, he did little to oppose the interests of the trading community. That he also did little to remove the minor prohibitive

regulations relating to handicrafts and manufactures, the fixing of wages and prices of commodities, and the sumptuary ordinances as to apparel, only shows that the true bearing of these things to the welfare of the community was not then clearly comprehended.

Among the sumptuary laws of the period many curious restrictions are to be noticed. In 1464 it was enacted that unless a man was possessed of the yearly sum or value of forty shillings he was not to be permitted to wear any "fustian, bustian, or fustian of Naples, or scarlet, or cloth in grain." The clothing of servants, labourers, and artificers not dwelling in a city or borough, as well as of their wives, "should be of cloth not passing the price of 2*s.* the broad yard"; no labourer's wife was to wear girdles garnished with silver; and no servant or labourer was to wear any "close hosen" worth more than 1*s.* 2*d.* Nor did the higher classes escape similar ordinances. The statute of 1643 directed that cloth of gold, and various ornamental apparel of sables, velvets, silks, and satins, should not be worn by knights, esquires, or gentlemen, or their wives and daughters; and no man with less than £40 a year, or his wife or daughter, should wear certain furs, girdles, or kerchiefs which exceeded in price 3*s.* 4*d.* per "plight" (1¼yds.). Nineteen years later it was seen fit to exempt all women except the wives of servants and labourers from these restrictions, which was a concession to the growing luxury of the time that was of decided advantage to trade. In this later enactment there was a curious illustration of

the privileges of noble rank, "no manner of person under the estate of a lord" being allowed to wear "any gown or mantell, unless it be of such length, that hee being upright, it shall cover his buttocks, upon pain to forfeit 20s."

But towards the end of the fifteenth century the world's commercial and social conditions were being entirely changed. The old order of things was dying. Feudalism, with all that it signified of oppression and obstruction, had already passed away. New forces of larger scope were manifesting themselves, and not the least of these was trade, the incentive to so much that was ennobling and so much that was mean; but a power that pressed all the world into its service. It was able to utilise every other element of progress on its own behalf. Science, art, literature, statesmanship, geographical discovery all became its obedient instruments. Progress in anything meant also progress in trade.

Gunpowder, which brought about the deliverance of the people from general war service, and made fighting itself a trade of its own, let loose its thunders to enforce trading privileges, and spread commercial conquest. It was a slow process, this changing of the art of war from a matter of bows and arrows to one of mechanism and explosives, and although in the Wars of the Roses weapons of artillery were brought into play with telling effect, the bowyers were for long after an important feature of the country's industrial life. So late as 1482 it was complained that by "the seditious confederacy of the Lombards" bowstaves had

risen to the "outrageous price of £8 the hundred," and it was ordered that no higher price than 3*s.* 4*d.* should be paid for a long bow "of yew." The hand-gun and cannon were in general use, however, not long afterwards, and one of the effects of this was to make war a professional and distinct pursuit, leaving the people at large free to pursue the industrial arts in comparative peace. This had a steadying influence upon trade, and was of advantage to the community generally.

A second force of far-spreading benefit to trade was the invention of printing, and the consequent enlargement of the bounds of every kind of intellectual activity. At first used mainly for the promotion of scholarship and religion, it afterwards became also the servant of trade, and added a new security to commercial transactions, which in the past had been made hazardous by the general employment of verbal methods, or, in cases where large sums were at stake, of written contracts that entailed great loss of time, and the co-operation of experts. Printing brought the world closer together in all branches of enterprise.

At the same time the knowable world was being marvellously enlarged by the discovery of the vast continent of America, practically a whole hemisphere, the second half of the universe. The invention of the mariner's compass had reduced navigation to a positive science, and its rich firstfruits were the geographical revelations which resulted from the expeditions of Columbus, opening up North and

South America and the West Indies to the European trader; of Vasco di Gama, disclosing a shorter route to India by the Cape of Good Hope; and of the Cabots, who discovered Newfoundland and Labrador, and in many other directions assisted geographical knowledge, with, it must be admitted, very poor recompense. Had Henry VII. been as alive to the commercial importance of such enterprises as were the monarchs of Spain and Portugal, England would probably have come much earlier into her colonial empire than she did; but Henry was too fond of hoarding money to let much of it go for scientific purposes. Indeed, it was no easy matter to win the Kings of Spain and Portugal over to such a costly expenditure as was involved in the expeditions of Columbus and Vasco di Gama, but the investment won them the leading positions among trading nations, and greatly enriched their treasuries.

A new era had dawned. The trading capacity of the world had been doubled, and, in view of this vast new field of enterprise, men awoke to fresh ambitions, the spirit of adventure took possession of men of commerce, and thenceforward the supremacy of trade was to belong to those who held dominion of the sea.

CHAPTER VI.

FROM THE DISCOVERY OF THE NEW WORLD TO ENGLAND'S LOSS OF CALAIS.

1492–1558.

At this juncture of England's commercial history the country was governed by an apathetic ruler, and a Parliament that subserved his mood. After the passing of Perkin Warbeck, Henry VII. devoted himself more closely than ever to the augmentation of his treasury. There were advantages as well as disadvantages attending this miserly devotion. Though trade was not directly encouraged by it, it made for peace in the land, and so long as no new prohibitions were imposed there was prosperity.

There had been no marked increase of population during this period. In fact, throughout the fourteenth, fifteenth, and sixteenth centuries the population of England and Wales remained about the same, at no time probably exceeding three millions. There had been but one year of famine in the fifteenth century (1438), and one year of dearth (1482), so that those causes of depopulation had not been recurrent. War had been the great destroyer.

The trade prospect when Henry VIII. succeeded to the throne in 1509 was generally favourable. England was still far behind Flanders, France, and Italy in manufactures, and as yet had but a faint perception of her own resources. There was an increase in the coal trade, and mining operation were profitably

followed, but industry generally kept to the old ruts. In some branches of trade there had been such little effort that industries which had once been of importance had died out. The iron trade, formerly so promiseful, was stagnant, much as iron was required for the new manufacture of arms, and for other purposes. The salt trade, too, had gone, and the salt deposits, of which there was an abundance in the country, could not be utilised because the art of refining the mineral had been lost. The commercial hope of the nation lay more in the enterprise of its merchants, merchants' companies, and mercantile navy. English merchants began to be keenly alive to the advantages of foreign trading adventure, especially in the direction of the newly discovered countries of the west. From this period dates England's rise as a naval nation. Previously English ships had traded chiefly with the Baltic nations, Western France, and Spain. But these narrow limits sufficed no longer. Rarely in former days had British vessels ventured into distant seas; even the Mediterranean was little known to the native mariner; but now, when the sea fever broke out in earnest among the English people, there was no sea too distant, no country too remote, no people too savage for their hazard.

Few English kings have assumed the sceptre under more hopeful circumstances than Henry VIII. He was a prince of parts and promise, and brought to his kingly office an amount of frank geniality that augured well for the people and for trade. It was not deemed any particular fault in him that he quickly squandered

the riches his father had amassed; his lavish spendings made money circulate more freely; his love of finery led to wide imitation, and an increased expenditure on fabrics, native and foreign; and his tastes for sports and pastimes, jousts and pageants, fitted well with the humour of the people. It was "merry England" indeed, so long as this mood continued, and it lasted for nearly twenty years—until the sad days of reckoning came, when the country found itself saddled with so many burdens that it began to be felt that the people had been living in a fool's paradise. Then the trading community gradually realised that Henry VIII. was the enemy rather than the friend of trade. He was still "bluff King Hal" to his submissive courtiers, but he no longer dazzled the people. They came to their sober senses about the time that he began his agitation for a divorce from Catherine. Trade was seriously affected by the strong current of events which Henry now set flowing. When a new demand was made for supplies for the royal treasury the trading community had to "foot the bill." Thenceforward the country was kept in a constant commotion. The suppression of the monasteries spread ruin among those who had been their tenants, and among the agricultural labourers who had cultivated their lands, letting loose upon the country a host of pauperised people. The revenues thus confiscated were turned to the profit of the crown, and the lands were doled out among a new aristocracy that was accommodating to the King.

The country's internal industries were con-

siderably interfered with by the agitations of the latter part of Henry's reign. The men who prospered most were those who ventured into foreign commerce. The Company of Merchant Adventurers grew in wealth and power, and many new private merchanting enterprises were taken up. But there was not any corresponding progress made in manufactures. Greater quantities of goods were produced, and bought and sold ; still, methods of manufacture remained much the same. Some attempt was made to get nearer to the mechanical proficiency of the textile workers of the Continent, but in this important branch of industry—in which England was destined in later years to make such a remarkable advance—little or no inventive spirit was shown.

As the English mercantile navy increased in strength, the hold of the Venetians, Flemings, Genoese, Florentine, and Hanseatic traders on English commerce weakened ; and it stands to Henry's credit that he laid the foundations of an English navy by building a number of large war vessels, establishing a Navy Office, and founding the "Corporation of the Trinity House." He also constructed new harbours and ports, and in this way helped to promote the maritime welfare of his subjects.

In the industrial life of his people a change was occurring that threatened serious results. The protective policy of the old guild towns had driven many of the industries into the country villages and smaller towns that were free from guild domination. Norwich, Winchester, Exeter, York, Beverley, and other ancient centres of

trade began to experience a diminishing both of industries and population, and the newer towns of the Midlands and the North—Birmingham, Leeds, and Manchester—which were unfettered, began to expand. The situation became alarming, and various efforts were made by statute and otherwise to repair the fortunes of the towns that had "fallen in ruyn and decaye." A ballad of the period laments that—

> The grete mysorder of everi cytee
> Cawsythe gret derth and povertee—
> And Englishe hande crafte gothe to nowght.
> Halff this Realme, it is unwrought!
> Alas, for pure pitty!

The guilds had passed their real period of usefulness; corruption and monopoly had begun to sap their influence; and further protective legislation only increased the evil. Acts were passed forbidding dwellers in any but specified towns to carry on manufactures "except solely for their own and their families' wearing"; and in other industries similar coercion was attempted. But it was in vain. The monopolists had dug the graves of their own industries, and the more the restrictive policy was increased the less were they able to save themselves.

English merchants and craftsmen, indeed, found a good deal to grumble at. The towns resented their trade being interfered with by the country districts, and English producers of all kinds began to object to the increased activity of the foreigners. At first the merchants from Germany and Flanders and Florence had been welcome because they brought into the country

articles and commodities that the English did not produce, but in many cases they had presumed upon concessions granted to them, and there was undoubted cause for complaint, although, even yet, they were importers of large quantities of goods that, but for them, would not have been seen in England. Still, they had gone too far, and the Hanseatic League had disregarded their obligations to such an extent as to draw down upon themselves the expression of the royal displeasure. A serious agitation, which had long been smouldering, was fanned into an active outburst on May Day, 1517, and, amid cries of "Down with the Lombards! Down with the foreigners!" some hundreds of 'prentices attacked and plundered the houses of the aliens.

Henry VIII.'s extravagance had imposed heavy burdens upon the people, and greatly crippled trading operations. But notwithstanding all this—and notwithstanding the great revolution that was in progress in the religious sentiment of the nation—material progress was made. It was a time of sharp transition and large events, and cause and effect were not always clearly defined. Cause was not lacking, for the suppression of the monasteries, and their destruction, no matter what the prompting motive may have been, served to purify the religious atmosphere, much as it harmed individual communities. The confiscation of the guild-lands was another high-handed act, but the guilds had brought themselves into bad odour by their exclusiveness, which had spread ruin in towns that for centuries before

had been prosperous, therefore the wrong done to the guildsmen was not hurtful to trade generally, but to a certain extent beneficial to it. The London guilds were powerful enough to protect their rights, and to that fact we owe the survival of the livery companies to the present day.

The cloth manufacture was still pre-eminent, but during the greater part of Henry's reign a struggle was maintained between the cloth workers of the towns and those of the rural districts. The greed of the guilds having driven the workers from the towns into the country places, it was now sought to force the people back, and many statutes were passed to secure that object. These enactments only increased the difficulty of the industrial situation. Wholesale evasion resulted. It spite of all that could be done, trade made its own course. Many clothiers were considerable employers at this date. The wealthiest manufacturer of the time was John Winchcombe, of Newbury, who was said to have had a hundred looms—

> And in a chamber close beside
> Two hundred maidens did abide,
> In petticoats of stammel red
> And milk white kerchers on their heads.

Winchcombe equipped a hundred men for the campaign against the Scots which ended in the victory of Flodden Field. Not only were the cloths of "Jack of Newbury" famed in England, but they were in good demand abroad. On one occasion the English Envoy at Antwerp hinted to Lord Protector Somerset that "it

shall be best to have hither 1,000 of Winchcombe's kersies."

In the arts of manufacture but few improvements had been introduced. Looms, cards, and other industrial implements were made in the manufacturing towns, and gave employment to some thousands of workpeople. Invention, however, was not encouraged; nor were machines of better construction from abroad permitted to be brought into the country. In 1551 some gig-mills "newly and lately devised, erected, builded, and used," were prohibited; thus early was the fear of machinery displacing hand-work making itself felt.

Captains of industry, with their larger aims, and business men seeking increased control, were arising on all sides. Men of the Winchcombe stamp were establishing the foundations of a factory system, and wool growing was being largely monopolised by the capitalists. In an Act passed in 1534 it was recited that "on account of the great profit which comes from sheep, some persons keep 24,000, some 20,000, and others 10,000 to 5,000," whereby the price of sheep and wool had greatly increased; and thenceforward no person was to hold more than two farms, or keep above 2,400 sheep. On the other hand, by a later Act of 1545, the small dealers were sacrificed to the staple and manufacturers, none but the latter being permitted to buy wool from the growers.

Some progress was being made in the dyeing of fabrics, but, as usual, the attempt to introduce new dyes from abroad "against the ancient usage" met with opposition, and a law

was passed to prevent their use. But trade once more took its natural course, and dyes which by Act of Parliament had been declared to be " to the great deceit, hurt, and hindrance of the King's liege people " were freely utilised. Among the new industries set up in England about this time the manufacture of pins and needles may be mentioned. A statute on the subject of pins gives us something of an insight into the making of the pins of the period. No person was to " put to sale " any that were not " double-headed, and had their heads soldered fast to the shank and well smooth, the shank well shaven, the point well and round and filed and sharpened." The needle manufacture was the monopoly of a native of India, and when he died the art was lost until a later date. Great improvements were made in the leather industry also, but again Parliament endeavoured to stop the advance. When it was found that tanners were able to put the tanning process through in from three to six weeks, an Act was passed directing them not to sell hides that had not been nine months in the tan pit. Soap making became an English industry about this time, Bristol producing a mottled soap and London a white soap, but large quantities were still imported from abroad. The manufacture of glass was also introduced at this period. Henry's want of conscience in money matters cost him his popularity, and set the men of trade and commerce against him. The debasing of the currency had a serious effect upon prices, and, as wages did not rise in proportion, the working people were sufferers. The King's

rapacity knew no bounds in the last few years of his reign, and when he died, in 1547, he left trade in a much more embarrassed condition than he had found it at the commencement of his reign.

There was not much opportunity or apparent desire during the short minority reign of Edward VI. to repair the mischief wrought by Henry's extravagance. Lord Protector Somerset, and afterwards the Earl of Warwick, used the royal power in much the same spirit as Henry had used it in the days of his decadence, and there were popular risings in all parts of the country, from divers causes. In some counties the movement was against the new religious ordinances, in others against the oppressive enclosures proclamation; the most insurrectionary movement being in Norfolk, headed by Ket, the tanner, who was afterwards hanged for his trouble, and the sixteen thousand men under him were dispersed. The Norwich rebels, however, claimed that rents and the rate of wool should be reduced to the ancient standard; and during the sacking of the city many foreign weavers were massacred.

In order to pacify the native trading classes Parliament abolished the privileges of the Steelyard in 1552, and from that time the Hanseatic League, which had done so much in aid of English trade in former times, was placed on precisely the same footing as any other foreigners. This gave an immediate impetus to purely English commerce, and gave great satisfaction to English merchants and trading

companies. The English Merchant Adventurers alone shipped forty thousand pieces of cloth to Flanders in the following year. Some of the Steelyard privileges were restored to the Hanseatic merchants by Mary in 1554, but they never regained their former hold, and some years later the English company was finally abolished.

English merchants had arisen in much larger numbers than in former times; their opulence reflected much honour upon their calling, and they became a great service to the State. Sir Thomas Gresham traded largely with Antwerp, then the "staple" for English products, and in 1551 was made "mayor of the staple." His influence was in marked contrast to that of the lords who quarrelled for leadership during Edward VI.'s nominal occupancy of the throne. His commercial training and knowledge of the world gave him a clearer vision of things than the wrangling politicians and prelates possessed, and, having the courage of his convictions, and the sense of strength that successful trading generally endows a man with, he wielded considerable power. At Antwerp he protected Edward from the imposition of the Dutch and Jewish money-lending fraternity, into whose clutches the young king had been drawn; and in later years, knighted, elected lord mayor, and otherwise honoured, was often entrusted with commissions abroad and at home that few men of the court would have been equal to. In Lombard Street he was banker, merchant, money-lender, and pawnbroker, with agents in all the commercial centres of the world. As

Anderson relates, he had the management of all the royal remittances, and "other money concerns with foreign States," and with the "armies beyond sea." Sir Thomas was always loyal to his order, however, and as the builder of the first Royal Exchange was the means of providing the merchants of London with a place of assemblage that greatly facilitated the transacting of business. Previous to that they had met in the open air in Lombard Street. Sir Thomas Gresham was the first Englishman to take the business of crown loan raising out of the hands of foreign capitalists; for by this time native merchants and financiers were rich enough to grapple with such matters, all of which testified to the power of English trade. The De la Poles had been absorbed into the aristocracy; Gresham remained a merchant, and it was as a merchant that his influence was exerted to the last. How great that influence was, and how he always kept commercial interests in view, is shown in the wise counsel that he gave to Elizabeth in a time of difficulty. "First," he wrote, "your highness hath none other ways but where time and opportunity serveth to bring your base money into fine; secondly, not to restore the Steelyard to their usurped privilege; thirdly, to grant as few licenses (monopolies) as you can; fourthly, to come in as small debt as you can beyond seas; fifthly, to keep your credit, and specially with your own merchants; for it is they must stand by you, at all events in your necessity." Trade has seldom had a truer spokesman. The commercial classes may be said to date the recogni-

tion of their proper position in the State from this time.

English merchants now went farther afield than Antwerp, Bruges, the Baltic, or France with their enterprises. Trading voyages became common, and good profit generally resulted from them, encouraging others to still bolder ventures. Visions of El Dorados began to dazzle the imagination. As recorded by Hakluyt, Captain William Hawkins, of Plymouth, made remunerative voyages to Guinea and Brazil, and many other adventurers followed in the same track. Bristol merchants had begun to trade with Sicily, Candia, Cyprus, Tripoli, and Syria. Sir Hugh Willoughby's famous expedition to the northern seas in the hope of finding a passage to China and the East had gone forth, the cost being borne by the Merchant Adventurers. The setting out was attended with much enthusiasm. Officials, merchants, citizens, and populace were all inspired with the new sea-adventure spirit, and when Sir Hugh with his three ships and his gallant comrades set sail they were speeded away with great acclaim. Willoughby and the crews of two of his ships were folded in by the snow and ice of Russian Lapland, and frozen to death; but the third ship, commanded by Richard Chancelor, struggled through into the White Sea, and, proceeding forward to Moscow by sledges, had an audience of the Czar, and obtained trading privileges which resulted in the formation of the English Russia Company. In numerous other directions enterprises of a similar character were being started; every

English port was stirred with a new animation ; and the London Company of Merchant Adventurers, with increased privileges, were sending out ships to distant parts never before contemplated as within the possibilities of English shipping.

During the short reigns of Edward VI. and Mary trade was the only interesting side of the national picture. Mary's religious persecutions drove many English Protestants of the industrial classes to take refuge in the Low Countries ; but the more prominent trading figures kept to their own course, and took but little part in the agitations that were whirling around them. And, apart from the religious dangers, the condition of the people was not bad. Many comforts had been added to the life of the working people, who were now better fed, better clothed, and better housed than they had been before. The Flemings had shown the English homelier ways of living, and had considerably enlarged their range of food. It was the Flemings who first made kitchen gardening known to the English cottagers, teaching them how to cultivate various edible roots, which much improved the health of the people, who, in earlier days, had mainly depended on salted meats for sustenance during the winter, causing greater liability to epidemic outbreaks than afterwards prevailed. Celery, carrots, cabbages, and hops were introduced by the Flemings. Hops were denounced at first, and restrictions were put upon their use in brewing, but the prejudice was soon overcome, and hops have ever since played an important part in the production of English

ale. The drinking habits of the people were controlled in many ways. A law was passed in 1553 limiting the number of taverns in the city and liberties of London to forty, and those in Westminster to three.

The general commercial outlook was seriously disturbed when, in 1557, Mary's husband forced England to join him in his war against France. A great check was immediately given to trading enterprise. While the mercantile marine had been growing apace, the navy had been suffered to dwindle into complete inefficiency; from that quarter, therefore, small aid could be given. Mary made a levy of £60,000 upon the City of London, and, for Philip's sake, resorted to many other desperate ways of raising money. But it was all to no purpose. Calais was taken by the French, and the mart which had served for English trade for over two hundred years was lost for ever. The loss was at first regarded as almost a deathblow to trade. The effect was not so serious, however, as had been imagined. When the true condition of things came to be realised it was seen that Calais was better lost than retained. It wounded the national pride to be deprived of its last bit of ground on the Continent; otherwise, there was not much to deplore. Commerce soon recovered its balance. English foreign trade was passing out of the hands of the foreigners, and coming under the active direction of native traders. It could no longer be said, as at the height of the Steelyard's rule, that "no man now almost buyeth of an Englishman." The Englishman had come into his

own ; he had asserted his native strength, and was about to put himself in open rivalry with the older trading peoples of the Continent. The days of his pupilage were nearing their end ; and in every branch of effort he was showing the strength of manhood. In literature, arts, learning, trade, discovery, he was in future to be included with the foremost races.

CHAPTER VII.

TRADE IN ELIZABETHAN TIMES.

1558–1603.

Dreams of empire followed dreams of trade. Spain had conquered, but had abused the rights of conquest. England would set the example of conquest on principles of humanity, and elevate the conquered races, not degrade and enslave them. The national imagination had been awakened to romance and adventure. From the sturdy lethargy of the English character had sprung a great intellectual force that was strengthening England's claim to world attention. In all that she attempted she now excelled. Not only were trade and commerce being developed on sounder lines than by the countries that had formerly loomed so much greater in these things, but in the intellectual expansion revealed in the works of some of the Elizabethan dramatists even the literature of the classic lands was surpassed ; and in the higher things that constitute in-

tellectual progress, as well as in material prosperity, the advance was great — that is, great in comparison with what was being achieved at the same time in other lands. In many parts of Europe there were signs of decadence. It was becoming evident that trade was no longer to be ruled by mere carrying power—much as that counted in the sum of trade success—but that creative energy must have contemporaneous existence to ensure continuance of prosperity. This was the great national quality that was being engendered in the English character when Elizabeth gave the country an assured peace, free from religious persecutions. The people could now settle down to promote their own natural advancement.

In addition to Sir Thomas Gresham, who rose to higher fame under Elizabeth than ever before, the list of illustrious English merchants was notably extended. Sir Edward Osborne, Sir Thomas Smythe, Sir John Spencer, Sir Thomas and Sir Hugh Mydelton, Sir Wolton Dixie, Sir Thomas Ramsay, Sir Lionel Ducket, and many other trading knights came into prominence in this active age, the very fact of their ennoblement showing how trade was coming to be regarded in England as an honourable pursuit. No matter how the older aristocracy might chafe, it was this new power that was destined to make England's prosperity.

London gradually supplanted Antwerp and Bruges as the leading trading mart of Europe, and on all sides there was an outburst of national vigour. The metropolis, with a largely increased population, began to assume the out-

ward aspect of a great capital. The Royal Exchange was supplemented with other stately buildings and mansions, and the streets became animated with business life. Churches arose, and the spirit of the Reformation shone through everything. It was a time for the casting off of fetters. Under the new freedom everything expanded. The old restrictive barriers of commerce were broken down.

While the ancient provisions which had enabled foreign merchants to settle in England, and largely dominate English commerce, were being gradually withdrawn, there was no hindrance to the immigration of foreign manufacturers and workmen. Elizabeth and her advisers had the sense to realise the good that had previously sprung from similar encouragement, and while there was some guarantee of permanence for Protestantism in England it became less secure on the Continent, with the result that a fresh stream of Flemish and French refugees poured into the country. Many of these refugees settled in Kent, but the main body of them spread themselves over Norfolk, that county being the chief seat of the English manufactures, with Norwich as the textile metropolis. Among the letters patent of that period is one of 1567 granted to thirty master workmen to settle in Norwich, each of them to have ten servants—in all 330 persons—and the articles they were authorised to manufacture were "bays, arras, says, tapestry, mockados (velvet imitation), stamens, kerseys, and such other outlandish commodities as had not been used to be made within the realm of England,

and none other" ; and this, Camden assures us, was " to the great benefit and commodity of the English." A marked improvement in manufactures followed this new influx of foreigners. In 1571 Norwich had 3,925 of these immigrants, including " 868 men of the Dutch nation, 203 men of the Walloon nation, 1,173 women of both, and 1,681 children under fourteen."

In other parts of the country fresh bands of foreigners introduced new trades. They set up the lace manufacture in Bedfordshire, Buckinghamshire, Oxfordshire, Northamptonshire, and Devon. They were expert in the building arts, in cutlery, in hat and cap making, in pottery, and in clock making ; and as England absorbed the skill which these immigrants brought with them the standard of native production was improved, the range of manufactures was widened, and certain latent elements in the national character were stirred into activity. Daintiness was not a strong characteristic of the English workman, but on the groundwork of what he adapted from the foreigner he cultivated a more solid growth that made for success. In 1588 there were thirty-eight Flemish merchants trading in London, and prosperous enough to subscribe £5,000 towards the defence against the Spanish Armada.

In the realm of discovery, whose main incentive was trade, great progress was made under Elizabeth. The voyages of Frobisher to the north-west, of Davis to the polar regions, of Hawkins to the west coast of Africa, and of Drake and Cavendish over the world at large, resulted in some cases in great gain, and in all

cases in an enlarged geographical knowledge which was to open up fresh markets to English commerce. That many of these bold adventurers were prompted by a good deal of the buccaneering spirit, and were neither particularly scrupulous as to the trading methods they adopted, the class of goods they traded in, or the means by which they accomplished their ends, cannot be gainsaid, but probably they were as honest as the mariners and traders of rival nations, and in those days a little bit of honesty went a long way with seafaring folk. How Drake plundered the Spanish galleons, and returned to England laden with treasure; how Cavendish "set out with sails of canvas, and returned with sails of silk"; and how Hawkins made large sums by the traffic in negro slaves, are among the stirring incidents of that exciting period of English commerical adventure. Sir Walter Raleigh went forth with somewhat higher aims perhaps, yet even he, courtier as he was, was actuated as much by the desire of profit as by that of glory. That he was not altogether successful as a colonist, and that he did not realise a fortune out of his introduction of tobacco into England, only shows that, wise a man as he was, he was not a practical man of business. When the man of business did come upon the scene, even Raleigh's Virginia failure was converted into a commercial success.

They were a wonderful race of stalwarts, those Elizabethan soldiers of fortune, ready for any exploit, and always to be relied upon to serve their country in her hour of need with unswerving fidelity and bravery, no matter how

lax they might be in their private ventures. They were, in a fashion, men of faith, moreover, and in their most questionable transactions invoked divine aid. The emulation that the adventures of Drake and others inspired was of great advantage to England's commercial development. Every port had its gallant "sea dogs" eager for adventure and pay, and the English flag was seen flying in seas where Englishmen had never before penetrated. The English became the most daring seamen in the world, soon surpassing those of Spain, and when it came to a trial of strength between the navies of the two countries, and Philip's Armada bore down upon England in proud assurance of victory, the result was such as to completely deprive Spain of her naval supremacy. When 176 English ships, with 14,992 Englishmen, overcame the vastly superior forces of the Invincible Armada, there was no further question as to the country to which the command of the sea belonged.

The world was now all before the English trader "where to choose," and merchant companies and private ventures grew apace. It was after Drake's return in 1580 from his three years' voyage that the company was formed for trading "beyond the equinoctial line" which was a few years later incorporated by Elizabeth as the East India Company. From these beginnings sprang our Indian Empire and the American Colonies, while trading routes were established between England and all the commercial nations of the world.

The social embarrassment and discontent

which prevailed in the early years of Elizabeth's reign was a legacy inherited from the misrule of her immediate predecessors, and for a time constituted a real obstruction to progress, but the improvement of trade, and the introduction of better methods of agriculture ultimately induced more favourable conditions, and the working population, both labourers and artisans, came to greater comfort. Even the poorest began to have moderately good fare, fresh meat and vegetables and white bread being obtainable, instead of the salted meats and coarse foods of former days. Coal came into general use for domestic fires, chimneys being now introduced into houses ; and in the dwellings of the better classes carpets began to take the place of rushes as floor covering. Castles and moated granges and old city walls and gates gave way before advancing civilisation, and as the business of war and the arts of defence and assault came to be revolutionised by the use of explosive weapons the whole external character of the country was changed. As armies and fleets were formed under these new conditions the cities, towns, and country places—the merchants, artisans, and labourers — the companies and communities—adapted themselves to the new influences, and a freer action bred freer thoughts, and increased prosperity. The old baronial halls were now excelled in beauty of architecture and extent by the mansions of the rich merchants and trading classes, and no one saw more clearly than the Queen herself what this new social force implied. Elizabeth not only dealt honours out freely among the

new men, but she often showed her interest in the industrial community generally. She was always in close touch with the workers of London, and made numerous attempts—always well meant, though sometimes mistaken — to ameliorate their condition. She was generally ready to redress their grievances as far as lay in her power, and according to her insight. The provincial trading towns that she visited from time to time gave her enthusiastic receptions, and her popularity never waned. Norwich in 1578 accorded her a welcome little less than the citizens of London could give her.

Elizabeth's anxiety for the industrial workers was genuine enough. She sometimes showed an eagerness to study their operations. At Norwich, Nichols tells us, she "particularly viewed the knitting and spinning of the children, perused the loombes, and noted the several works and commodities which were made by these means." When, however, a new labour-saving invention was introduced to her notice she took the side of the worker, not of the inventor; she only saw in it a means of depriving the poor of work, not of extending the power and dominion of industry. When taken to see the stocking frame invented by the Rev. William Lee, Her Majesty said, "I have too much love for my poor people who obtain their bread by the employment of knitting to give my money to forward an invention that will tend to their ruin, by depriving them of employment, and thus make them beggars." Had the Queen taken the right view of this matter this important invention would have estab-

lished a new industry, and the inventor would not have been left to seek patronage abroad, and die in want. For all that, it was Lee's invention that in after years gave rise to the stocking-weaving industry of Nottingham, Leicester, and Derby.

There is a more serious blunder than this, however, that Elizabeth was responsible for. One way and another, the monopolies of guilds and chartered towns had been reduced to the great advantage of trade, but Elizabeth revived these concessions in another and still more pernicious form by granting trading privileges to individuals. This system of protection resulted in considerable hardship to the community, increasing the prices of commodities, and preventing the natural growth of trade. Grants were made to individuals, giving them the exclusive right of dealing in certain articles, such as iron, steel, salt, gunpowder, glass, paper, starch, currants, tin, sulphur, oil, saltpetre, beer, leather, vinegar, calf-skins, ox-bones, Irish yarn, Spanish wool, horn, dried pilchards, and numerous other things, covering the greater part of the ordinary field of consumption. The result was twofold—an enormous increase of the Queen's revenue in the payments that were made for these privileges, and a serious rise in the prices of the various commodities. Salt, for instance, from being 1*s.* 4*d.* a bushel, went up to 14*s.* Bacon had uttered a warning as to monopolies, declaring them to be "the canker of all trading," but for a long time Elizabeth resisted the protests of both Parliament and people against the evil. In answer to a special

appeal that was made to her in 1597, the Queen "hoped her dutiful and loving subjects would not take away her prerogative, which was the chief flower in her garden, and the principal head-mark of her crown and diadem, but that they would leave these matters to her disposal." But she had encroached too far; the people were not to be so easily appeased, and when appealed to four years later on the subject she made a show of submission, and assured the remonstrants that she had "rather her heart and hand should perish than that either her heart or hand should allow such privileges to monopolists as might be prejudicial to her people." Some of the more glaring of the monopolies were accordingly put an end to, but the bulk of them remained in force, and formed a serious trouble for her successor.

During Elizabeth's reign the prosperity of the various industrial towns and trading ports had greatly increased. Norwich was still, next to London, the most distinguished of the manufacturing towns, and was essentially the seat of the worsted manufacture. The woollen manufactures had been more dispersed. As regards the raw wool, which had in former times figured so conspicuously as an article of exportation, it was now nearly all utilised in home manufactures, the value of the exports of woollens and worsteds at this period amounting to over one million sterling. The Company of Merchant Adventurers, now numbering some 3,500 wealthy traders of London, York, Norwich, Exeter, and other important cities and ports, had this export trade practically in their

own hands; and Wheeler puts it on record that above sixty thousand white cloths, worth £600,000, and forty thousand coloured cloths, worth £400,000, were exported by them annually. These facts give some slight clue to the general bulk of trade at that time, and, taken in conjunction with what can be gathered as to the condition of the large cities and towns, indicate a measure of national prosperity far in excess of what the country had enjoyed at any previous period. Apart from the short collision with Spain, which sent her reeling in confusion and defeat, Elizabeth had, by her tactfulness, her courage, and strength of character, given England peace and social quietude, and enabled the people to make headway. In spite of her whims and vagaries—in spite of her many and grievous blunders — in spite of the burdens imposed by her monopolies—she was a tower of strength, and accomplished much for England. She was more queenly than any king of England up to that time had been kingly. Under her guidance the best side of the national character came to the surface, and in every branch of effort there was substantial achievement. The literature of that age gave force and character to the science of letters; and the trade and commerce of the time formed the foundation of England's material greatness. Elizabeth came to the throne when all the best elements of English power were suffering from repression; when she died she left the country firm in its position, and full of vigorous action. Judging things by the standard of the time, the condition of the English people was, on the whole,

better than that of the countries which were their chief rivals in trade. There was a good deal of pauperism, a good deal of vagabondism, a good deal of thievery, and a good deal of bad legislation as a shadow to the picture; but even in these matters the record was less dark than it had been before. We have it on the authority of Harrison that in the reign of Henry VIII. about two thousand rogues were hanged yearly, whereas so much were things improved that only between three and four hundred a year were hanged for theft and robbery in Elizabeth's time.

CHAPTER VIII.

FROM THE FIRST ADVENTURE OF THE EAST INDIA COMPANY TO THE EXECUTION OF CHARLES I.

1603–1649.

When James I., by the fortune of birth, united the crowns of Scotland and England, there was an end of discord for a time between the two peoples. Scottish industries were benefited by being brought under the same laws and privileges as English industries, and the ports and trading centres of Scotland began to show a considerable prosperity. As regards England, the effect of the new dynasty was favourable neither to trade nor to the well-being of the people. James I. made himself the enemy of the trading classes almost from the

first, and every year increased the estrangement. It mattered little to the men of trade that he assumed to rule by right divine, that he professed holiness and practised profligacy, or that he moved in an atmosphere of flattery of his own creation; but when, ignoring his first fair promises, he blocked the natural course of trade by multiplying monopolies, and established a customs system that greatly harassed commerce, he did much to undo what the larger policy of Elizabeth had achieved. It was soon seen that he was not to be counted on the side of trade except so far as it might be manipulated to serve his extravagant pecuniary demands. In most of his dealings with the commercial community he was actuated by selfish motives. Demoralised by the incessant need of money, he threw prudence and policy to the winds, and, as the state of his treasury demanded, made levies and imposts in defiance of his Parliament; and, when other means failed, created knights, baronets, and peers in batches sufficient to ensure him a helpful contribution in fees. The fatuous obstinacy of the Stuart character was deplorably manifested in James's high-handed dealings with the money-making and industrial classes. Whatsoever he did or conceded for the furtherance of trade and commerce was done for the most part under compulsion. But in the same way that the will of the people asserted itself in matters that affected their religious and social liberty, so the will of the trading classes, in what concerned their interests, vindicated itself, even against the King, when the strain became dangerous.

It was happily beyond the power of King or Parliament to wholly stem the advancement of Great Britain's commerce, but the propulsion was always forced from within; the retarding movement always came from the ruling power. Nothing, however, could stop commercial progress. The King's fear of international complications gave the country peace, and trade thus obtained breathing space and opportunity, and used them to advantage.

The general conditions of British and European trade when James came to the throne were strikingly outlined by Sir Walter Raleigh in his "Observations concerning Trade," which he presented to the King. Although Sir Walter somewhat overstated his case as regards the Dutch, whom he held up as an example to England of correct commercial methods, many of the facts he sets forth throw an interesting light upon the general industrial and commercial condition of the country at the beginning of the seventeenth century.

The maritime power of England was extending the trade with distant countries, but as regards the commerce of Europe the Dutch were the great carriers of the time. They had a mercantile fleet of several hundred ships, and Holland was the storehouse of Europe. The commodities of all countries were transported in Dutch ships from their producing points to the various English and foreign ports where they were distributed. Further than this, Raleigh complained that the English neglected their fisheries and other branches of trade, which the Dutch by superior diligence and enterprise

largely controlled. His statistics in many instances are open to question, and he underrated English efforts generally, but, with all his excess of zeal, and his strained comparisons, his general argument was irrefutable—the Dutch were then the masters of the sea traffic.

"The Dutch," continued Raleigh, "send nearly one thousand ships every year to the countries of the north-east of Europe with wine and salt, both chiefly obtained from France and Spain; England, with equal natural advantages, has not one ship employed in the trade. The timber trade of the Dutch, whose own country grows no wood, employs five hundred to six hundred great ships; the English, with the same access as they have to the forests within the Baltic, neither export nor import a single cargo. Even the wool, cloth, lead, tin, and other native products of England are far from being turned to so much account as they might be. As yet all the woollen cloth that goes abroad is exported both undressed and undyed. About eighty thousand pieces of woollen cloth are annually sent to foreign cities in that state, the dyeing and dressing of which is a yearly gain to the foreigner of £400,000, besides about 150,000 northern and Devonshire kerseys and baizes, which would come to £100,000 a year more." "Awake, England!" was the cry then as now, and for very much the same reason—the greater activity of foreign rivals.

Raleigh's appeal had little weight with the King. It certainly did not move him to action. When, however, various new trading companies applied for charters, representing the great

benefit that would result to England from their operations, and offering to pay handsomely for the privileges, His Majesty usually gave a favourable response. But the King's bad faith in these matters led to innumerable difficulties. Whenever a company was increasing its profits he wanted a larger share of their good fortune, and if they were non-compliant he was not scrupulous as to the means he took of thwarting their ventures. Thus, although the East India Company had been incorporated by Elizabeth so recently as 1600, James had no compunction in granting to others (for a consideration) privileges of trading in the regions originally secured by that company. This was in direct contravention of the original charter, and, coupled with the fact that the Dutch had also established a rival East India Company, with a capital of £600,000, caused much dissatisfaction. Many members of the East India Company were for abandoning their enterprise, but the hope and daring of others served to keep the undertaking alive.

The first capital of the company was only £72,000, but a new subscription was now opened, and in 1607 and 1608 five more ships were sent out, none of which made money for the company. Two were lost altogether. The company did not lose heart, however, gloomy as their prospects looked, but in 1609 despatched one more vessel to the Indies under the command of Captain David Middleton, and, after an absence of two years, the ship came back to England bringing a cargo of nutmegs and mace sufficiently valuable to yield a dividend of over

200 per cent. on the venture. A new charter was now granted to the company, and they built the largest merchant ship that had ever been constructed, *Trade's Increase*, which sailed away to the Orient accompanied by two other vessels, in 1610. But the great ship was lost, though the two others brought home cargo that paid a dividend of 121 per cent. on the cost of the expedition. So matters went on, with ever-increasing profits; and in 1613 the company succeeded in establishing a footing in India, obtaining a charter of privileges from the Great Mogul, and setting up a factory at Surat. This placed the company on a basis of assured prosperity, and their enterprise soon became the wonder and admiration of the trading world. Here, at least, the English got ahead of the Dutch; and other British trading ventures on similar lines, to other parts of the world, were afterwards established; and the Dutch presently found British vessels competing with them in many ports that they had previously had to themselves.

The Levant Company was incorporated in 1605, by means of which English manufactures and commodities obtained a market in Constantinople and other parts of the East which had formerly been largely monopolised by the Venetians. This company became a flourishing enterprise. Broadcloths and tin were the principal items of merchandise sold to the Turks, and in return great quantities of silks and Oriental produce were imported from Turkey. Contemporaneously, the old Company of Merchant Adventurers received extensions of

their charters, and during this reign became so important a body that the whole of the trade with the Low Countries and Germany came under their control. The company numbered over four thousand members, every British port being represented. Monopolistic trading privileges were also given to Southampton, Exeter, and other ports, and there was hardly a sea in the two hemispheres over which some British company or corporation did not exercise or claim exclusive commercial rights. The world, indeed, was parcelled out into sections for the accommodation of English trading enterprises. But these sea-trading rights were not obtained without many a fierce contest. In the polar regions, where the Russia Company were now engaging in fishing operations, many disputes occurred with Dutch, French, and Danes; until by the joining of the forces of the Russia Company the English became masters of the position, and for some years afterwards the main control of the Greenland fisheries continued in their hands.

Following up Raleigh's unsuccessful attempt at empire-extending in Virginia, the London Company and the Plymouth Company, chartered by James I. for colonisation purposes, made gallant efforts to found settlements in Virginia and New England. In 1607, nine thousand persons emigrated to Virginia, and at a later period considerable numbers went out to New England; but for a long time difficulty and disaster dogged the footsteps of the settlers, and it was not until political and religious persecution drove forth the Pilgrim Fathers,

and other God-fearing people, and the new colonies began to be more largely populated, and put under more methodical cultivation, that they began to reveal possibilities of prosperity. Disaffection at home made for harmony in the colonies, and the New World in time became the welcome asylum for all Englishmen to whom the fetters of existence had grown too galling in England. The colonisation that was in progress, however, and which was laying the foundations of future commercial greatness, was more the result of private effort than of direct governmental action. James concerned himself with the colonies little more than to see that they produced revenue for him. When the Virginians began to grow tobacco he could not, with any degree of consistency, do other than denounce the " weed " in language worthy of his famous " Counterblast " ; but, in granting the right of importing the article to his special licensees, he did not show himself unmindful of its utility as a money-raiser. He inveighed against " this precious stink " in one breath, and tolerated it in another, " for the sake of his loving subjects," at last confining his opposition to the forbidding of the cultivation of tobacco elsewhere than in the colonies.

Within the kingdom wool growing and wool manufacturing continued to be the great industries, but here again, as we have seen by Raleigh's observations, there were some serious shortcomings. The foreigner was once more ahead. There was a general increase of production, but small improvement in method, and in the dyeing and finishing processes the Dutch

greatly excelled the English, with the result that the bulk of native cloths was sent to Holland to be dyed. It was a national humiliation that this should be, and in 1608 James was induced to adopt the strong measure of prohibiting the sending abroad of undyed cloths; at the same time creating a monopoly for his own advantage by granting to Alderman Cockayne the sole right of dyeing and dressing all woollen cloths. Doubtless Cockayne imagined he would make a speedy fortune by this compact; but both he and the King had miscalculated the effect of this sudden reversal of commercial policy. Protection begat retaliation. Holland and Germany refused to allow English cloths to enter their ports, and the woollen manufacture in England immediately declined. Cockayne's method of dyeing and dressing was very inferior, and partly on that account, and partly because of the advance in price brought about by Protection, the home demand grew less and less. There was now a great outcry on the part of the manufacturers and weavers. Trade was being strangled. So serious was the discontent that the prohibition was partly withdrawn, and in 1615, "for quieting the people," Cockayne's monopoly was annulled altogether, and general exportation was resumed. But, short a time as the restriction had lasted, it had wrought great harm to trade, and for some years afterwards the woollen manufactures remained in a condition of depression.

So depressed had the trade become in 1622 that a commission was appointed to inquire

into the cause of the decay. His Majesty deplored "that the cloth of the kingdom had of late years wanted that estimation and vent in foreign parts which it had formerly had," and that "the wools of the kingdom were fallen much from their wonted values." The fact was the Dutch were threatening by their greater skill to take the cloth manufacture out of British hands. Something had to be done—some strong effort was necessary—both by the Legislature and by the trade itself, to recover the lost ground; and, fortunately, the steps that were taken were in the right direction. Parliament practically granted freedom of trading to the various companies and merchants, and, on their side, the cloth manufacturers so bestirred themselves that new methods of dyeing were introduced, rendering the home trade practically independent of the foreign dyer.

Some attempt was made in this reign to establish the silk manufacture in England on lines similar to those adopted in France and Italy—that is, from the rearing of the silkworms to the weaving of the silks—but, although mulberry trees in abundance were planted in all parts of the country, the initial stage of cocoon production was never successfully mastered. Silk operatives were brought over from the Continent, and for a time considerable energy was expended upon the industry. The naturalising of the silkworm, however, was not to be effected in the English climate on a sufficient scale to be remunerative, therefore the people of the native silk trade had to be content to deal with the raw silk obtained from India.

Still, considerable progress continued to be made, and in 1661 there were forty thousand men, women, and children employed in the silk-throwing industry.

A Government return for the year 1613 is valuable as affording evidence of the amount of trade in that year. The exports were estimated at £2,090,640 11*s.* 8*d.*, and the imports at £2,141,283 17*s.* 10*d.* To these figures £86,794 16*s.* 2*d.* was added to the exports as "customs on the goods," £10,000 for imports paid outwards on woollen goods, tin, lead, and pewter, and £300,000 for the merchants' gains, etc.; showing, on the whole, "a balance gained to the nation" of £346,283 17*s.* 10*d.* Small as these figures seem in comparison with those we are accustomed to see in the national accounts of later days, they represented a substantial increase upon even the trading of Elizabeth's period.

For all that, trade was in a generally unhealthy condition all through the reign of James I. Hemmed in by restrictions small and great, weighed down by unjust monopolies, and bled for revenue purposes in every vein, it was impossible for it to thrive. In 1609 the King had made a great show of liberality by a general annulment of monopolies, but he soon found, or made, excuse for reimposing them, and year by year the evil increased, until the discontent grew to such a pitch that nothing less than a complete abolition of monopolies would satisfy the country. A great agitation sprang up, and, as every reader of English history knows, Parliament at length forced the

King to give way ; which he did, as usual, with much show of solicitude for the people, and a great pretence of being in ignorance of the extent of the evil. " I am ashamed," he said, " and it makes my hair stand upright, to consider how, in this time, my people have been vexed and polled by the vile execution of projects, patents, bills of conformity, and such like ; which, besides the trouble of my people, have more exhausted their purses than subsidies would have done." A law was then passed making all patents of monopoly illegal except those granted for fourteen years for new inventions. In addition to this, there were several other exceptions, leaving a fair rootage still standing for the next of the Stuarts to cultivate a fresh crop of monopolies from.

From this time the evidence of history becomes clearer and more minute. The printing press had been active in the multiplication of books ; and not only were men's thoughts collected for the general edification, but facts, figures, and statistics were finding their way into print. Newspapers had made their appearance, and written language came into play in every branch of life. From the chroniclers of these times we are enabled to glean particulars that have been wholly wanting in the unprinted records of the monks and scholars.

Camden is our authority for the James I. period. We learn from his quaint pages that in those days Plymouth and Poole were little more than villages ; that Lincoln was decayed ; that Yarmouth had but one church ; and that Portsmouth was " populous in time of war, but

not so in time of peace." The more prosperous towns were: Norwich, though that had "considerably declined from its ancient greatness, its fifty churches having been reduced from between thirty and forty"; Birmingham, "swarming with inhabitants, and echoing with the noise of anvils"; Halifax, containing twelve thousand inhabitants; Lynn, the largest town in Norfolk except Norwich; Hull, "grown to such a figure that for stately buildings, strong forts, rich fleets, resort of merchants, and plenty of all things, it is the most celebrated mart town in all these parts"; Beverley, a large and populous town; Kendal, "a large town, with two streets crossing each other"; Newcastle, "the glory of all towns in Northumberland"; Manchester, "surpassing all the towns hereabouts in buildings, populousness, woollen manufacture, market-place, and churches"; and Liverpool, "the most convenient and usual place for setting sail into Ireland."

Scotland was fairly contented, and made good industrial progress while the king it had furnished England with was struggling with his English subjects. But, while Scotland was being partly Anglicised, Ireland stubbornly resisted the English domination, and its trade wasted away. The extreme measure that followed—the confiscation of the main portion of the north of Ireland, and the planting there of a Scottish industrial population—put a force into the country that had a wonderful effect in the development of its trade, though the unjust method by which this Ulster Plantation was formed was a lasting disgrace to the English

Government. The evil that this act of wholesale spoliation wrought has not been counterbalanced even by the good that it resulted in. It killed the industrial spirit in the Irish people.

The relations between the King and Parliament received an additional strain by the necessity for a large increase of military expenditure for the war which broke out with Spain in 1624, but while yet the struggle was undecided James died, and was succeeded by his son Charles I., whose attitude was even less conciliatory than that of his father.

There was some slight revival of trade, however, after Charles came to the throne, but again it was in spite of, rather than in consequence of, the King's actions. Virginia was now made a crown colony, and other schemes of colonisation were entered upon. Foreign commerce was advanced, and for a time the home industries made headway. When the rupture between Charles and his Parliament took place, however, trade suffered a serious set-back. The new monopolies that the King created were of such an obnoxious character, were granted on such insufficient grounds, and were so opposed to all commercial morality, that they hampered the trading community in every direction. Monopolies were given that put whole branches of industry into the hands of individuals, and, on the other hand, many were granted for things that could only be remunerative by artifice or fraud, but which the royal patent induced people to patronise. The protests of Parliament were in vain until 1639, when such a firm stand was taken by the

House of Commons that the King was compelled at one stroke to abolish twenty-seven monopolies, which were yielding him an annual revenue of £200,000; and in the next year Parliament took it upon itself to cancel all the rest. In the same year Charles raised £200,000 by a most unscrupulous act. That amount of money had been lodged in the Royal Mint in the Tower by London merchants for safe custody, there being no banks in those days, and Charles possessed himself of the whole amount in spite of the protests of the owners. The fact that he wanted money for an expedition against the Scots was sufficient excuse for the confiscation in his own eyes. After this it was considered safer to entrust surplus sums to the charge of the goldsmiths, and in this way a banking system came to be established, the goldsmiths paying interest on the sums deposited with them, and, being responsible and substantial men, the depositors ran but little risk, and were able to draw what they required at any time from these private treasurers. Thus, trade and commerce were advantaged in some measure by this passing adversity. The civil troubles made men chary of holding their treasures in their own keeping, and the necessity for better protection threw them into the hands of the goldsmiths, who rarely betrayed their trust; and from these beginnings the business of banking was developed.

The great trading companies were much crippled in their operations by the general insecurity of affairs at this period. The East India Company sustained serious losses, and

were compelled to open a subscription for new stock, although in point of territorial ownership they had been able to add Madras and the island of St. Helena to their possessions. The Company of Merchant Adventurers and the Levant Company, however, continued to flourish, and even extended their sphere of operations ; but the Russian Company fell under the displeasure of the Czar, and were no longer suffered to trade with his country, the Dutch succeeding in replacing the English in this market.

But the financial tangle in which Charles became involved, and which he adopted such despotic and illegal measures to extricate himself from, rendered trade a difficulty. War without the realm—France and Holland threatening — and dissension within combined to aggravate the situation ; the climax being reached by Charles's ship-money extortion, which turned the trading interests of the country completely against him. Then all was chaos. Scotland and Ireland were in rebellion, and in England the people were rallying round the Parliament in the hope of being protected from burdens that threatened them with ruin. There was little respect for authority left, and both in London and in the provincial towns, the mayors and officials whose duty it was to enforce the ever-growing imposts were often defied. Monopoly and taxation together threatened to kill trade. Expansion was prevented at every stage.

In 1636 some venturous persons had started a soap-making establishment in Smithfield, and, this being in opposition to an existing monopoly,

the constabulary were ordered to take possession of the premises, and oust the audacious soapmakers. But the latter gallantly defended themselves, and when the constables appeared "thrust long pikes through the walls at them, and cast or squirted scalding liquor or lees upon them." Further, as the State Paper puts it, "the said persons also showed themselves armed with naked swords, pistols, and a great mastiff dog; and, in a contemptuous manner, affirmed that they there boiled soap, and would boil soap, and threatened to kill whosoever should enter upon them, desperately saying they would die rather than yield." This was the kind of interference that trade had to contend with in all quarters, and it very naturally awoke a strong spirit of defiance. Solid progress under such circumstances was impossible.

Trade, however, had learned so many lessons in the past that even in these troubled times it was able to take care of itself to some extent. The spirit of progress was still there, and while the bitter contention was going on between King and Parliament some activity was displayed in forwarding developments which were destined to be of great utility to the national industries. A system of internal posts was established, which included a running-post between London and Edinburgh, "to go thither and come back again in six days," as well as bye-posts connecting the leading towns with each other and with the metropolis. Postal service for foreign letters had been established by James I., and both this and the new inland service were farmed out to private persons,

until 1640, when the whole of the postal arrangements were placed under the control of the principal Secretary of State.

About the same time, hackney coaches were coming into use, to the great facilitation of transport. There were twenty of these vehicles in London in 1625, and within the following ten years the number was considerably increased. This state of things gave offence to the King, and in 1635 he issued a proclamation forbidding the use of hackney coaches in and about the metropolis. The coachmen protested. They pointed out that they were but a hundred, yet that they helped to support many hundreds, and served thousands of citizens; and they asked to be made a corporation, offering to pay unto the Exchequer £500 a year for the privilege, "and maintain fifty able horses and men well armed, to be exercised under the command of whom the King shall appoint." Ultimately the coachmen prevailed, and the habit of being conveyed from place to place by vehicles became general. Sedan chairs were also introduced about this time, Sir Sanders Duncomb being granted the sole privilege of letting them for hire in London for fourteen years, these "covered chairs" being considered a more luxurious conveyance than the coaches, and so were much affected by the quality.

When at last the Civil War broke out trade of all kinds came to a standstill. Parliament had declared ship money illegal, and the people were little disposed to respond to other imposts which were regarded as equally unjust. Most of the commercial towns were on the side of the

Parliament, and fought gallantly for the popular cause, and when the end came, and Charles I. went to the block, the civil tension was relieved, though it was some time before the shock of the catastrophe was dispelled, and the active resumption of commercial affairs was possible.

CHAPTER IX.

FROM THE NAVIGATION ACT TO THE REVOCATION OF THE EDICT OF NANTES.

1650–1685.

DURING the Commonwealth, trade, although it showed considerable improvement, could hardly be said to flourish. Luxury, the great incentive to trade, was repressed. Life was without colour; its hues were all sombre. Everything had to be in tone with the drabs and greys of the Puritan garb. It was deemed wicked to be animated. Gaiety had the door locked upon it, and the Protector held the key. Even the list of necessities had to be thinned down; and the spending of money on anything else was regarded as a sin. The country was under the spell of melancholy, and self-abasement was the order of the day. Not that Cromwell was insensible to the claims of trade, but he had what were, to him, more serious affairs on hand. A wrecked kingdom was at his feet, and the work of putting it together again needed giant efforts. There was still plenty of hard fighting to be got through in

Ireland, Scotland, and elsewhere, before he could settle down to enjoy the fruits of victory. As a matter of fact, he never did attain that repose. Such measures as he was able to promote, however, in regard to trade and commerce were, as might be expected, specially intended to benefit English commerce. Monopolies had been abolished, and he did nothing, and allowed nothing to be done, to revive them.

In 1651 the famous Navigation Act was passed, aimed mainly at the destruction of the still important Dutch carrying trade, and intended also to strengthen the relations with the colonies. The effect of this measure was to create a gigantic monopoly of the English nation against the world, and for a time it did certainly tend to increase British commerce, although it soon brought about a war between England and Holland. The Act declared that no merchandise of Asia, Africa, or America, except such as might be imported directly from the place of its growth or manufacture in Europe, should be imported into Great Britain or its colonies in any but English-built ships, navigated by English commanders, and having at least three-quarters of the sailors Englishmen; and no goods produced in any country in Europe were to be imported into Great Britain except in British ships, or ships belonging to the country where the goods were produced. This completely put a stop to Dutch sea traffic with England. How far the Act really benefited the country at large is doubtful, inasmuch as it compelled people to pay a higher price for many articles which the Dutch had supplied,

and threw upon the country the heavy cost of a war. It certainly shut out the Dutch from British ports, but it could not prevent them extending their trade in other quarters. The ultimate ruin of the Dutch carrying trade was due to other causes having their origin at home.

The war with Holland lasted from 1652 to 1654, and two years later there was the war with Spain, while all the time there were more or less disturbances to deal with within the kingdom. No wonder that the Protector was compelled to neglect some of the petitions that traders presented to him. The East India Company's affairs were at this time at a low ebb, and, to make matters worse, Cromwell, in 1654, annulled their charter, making the trade to the Indies free; but three years later he was induced to grant a new charter for seven years, on which a new stock of £370,000 was raised, after which the fortunes of the company changed for the better. Jamaica was added to the British colonies in 1655, and proved of considerable commercial advantage.

Home industries continued to advance, though somewhat slowly. In 1656 a Charter of Incorporation was granted to the sewing needle makers, and another in the following year to the frame-work knitters, which body was further aided in 1659 by the prohibition of any frames and engines for knit-workers of silk stockings. Improvements were effected in dyeing, and at last English cloths were admitted to be equal to those of the Dutch. Many new kinds of woollen manufactures were also in-

troduced, as is duly attested in an Act of Parliament passed in 1661, in which it is recited that "lately a great variety of new sorts of stuffs have been invented." These fabrics were called the "New Drapery," and were mainly manufactured in Norwich.

The coal and iron trades were also making some progress. Newcastle was the chief centre of the coal industry, two-thirds of the production of the country being at that time in the hands of the men of Newcastle, who in 1655 employed 320 keels. The mineral was being used on a small scale in Staffordshire for iron smelting, but it was not until a considerably later period that it came into general use in this industry. As early as 1619 Dud Dudley had obtained a monopoly "of the mystery and art of smelting iron ore, and of making the same into cast works, or bars, in furnaces with bellows," but ancient prejudice and unwise legislation prevented further developments of this great idea, and the real alliance between coal and iron was consequently kept back for nearly another century.

One great good was wrought by the strong hand of Cromwell—security to property and a just respect of trading rights were assured. His rule stood for honesty and toleration, and it is worth noting that he permitted the Jews to return to England after being banished from the country for nearly four hundred years, and they were allowed to follow their commercial pursuits, and worship according to their own rites, without molestation. Another measure that was of advantage to the trading community

was the reduction of the legal rate of interest from eight to six per cent.

It was fitting that while the country was under the influence of sobriety there should have been introduced some of those soothing beverages which have ever since been in high favour in English homes—coffee, chocolate (or cocoa), and tea. The first coffee-house in England was opened in 1652, by Pasqua Rossie, a Greek merchant. The venture was so successful that other coffee-houses were soon established, and the importation of the coffee berry became a profitable business. Chocolate was introduced shortly afterwards, as may be gathered from an advertisement published in the *Public Advertiser* of June 16th, 1657, containing the intimation that "in Bishopsgate Street, in Queen's Head Alley, at a Frenchman's house, is an excellent West India drink called Chocolate to be sold, where you may have it ready at any time, and also unmade at reasonable rates." Chocolate, in its purer state of cocoa, became a fashionable drink, but the high price at which it was sold prevented its becoming as popular as coffee. Tea, which was destined to have a still larger patronage than the other two beverages, was also known and talked about at this time, but it did not come into general use until some years later.

On the whole, Cromwell's record as the friend of trade is a much more distinguished one than that of most of those who had preceded him in the exercise of supreme authority. He was consistently honest and courageous, and, according to the views he held, did his utmost to further

the true interests of British trade and commerce. In one thing he was an example that ought never to be forgotten by those who have the control of British political affairs : he did nothing from the point of view of his own individual gain, and only served himself when at the same time he thought he could serve his country.

With the Restoration the country leaped at a bound from the extreme of doleful gravity to that of excessive vivacity; jeremiads were no longer the vogue, but songs of revelry. Life became a sudden feast, with Momus presiding. Stern morality was succeeded by wanton dissoluteness. Virtue went out of fashion. The conventicle, with its psalm-singing, was no longer the daily gathering ground, but the theatre, whose doors were reopened, not to poetry and noble lessons, but to graceless depravity and indecorum. Instead of thrift, there was extravagance; and the example in high places changed from a rigid sense of duty to a low sensuality. The gloomy sedateness of garb that had wrapped the Puritan in the mask of melancholy gave way to decorative apparel, dazzling in the brightness of its colours, and as free and fantastic as the other had been subdued and demure. Naturally, trade had more to expect from this new order of things than from the old, objectionable as were some of the features of the renaissance of animation, but, unfortunately, Charles II. was not free from some of the more serious defects of the Stuart character, and, while he laughed his way through life with reckless irresponsibility, was not above resorting to despicable tricks for the filling of

his purse. A monarch who could practically sell himself to France, and become the pensioner of Louis XIV., could hardly be looked upon as a friend to his country in any true sense. All the same, his coming to the throne gave an impetus to trade, and many avenues of commerce and industry which had previously been all but closed were reopened, and made to stir with new life and energy.

Now the demand was stronger than ever for finery of every description. All the ends of the earth were ransacked to provide fresh luxuries for the table. The gallants must have their velvet coats and silken hose, their lace and ruffles, their costly hats and flowing wigs, their jewelled swords and dainty shoes; and for their feasting they must have the finest wines, the richest fruits, and the choicest yield of the earth in profusion. And the dames and demoiselles must don the rarest silks, the most wonderful brocades, and in every detail of apparel must be as fascinating as daring and audacity could make them. And how could all these things be supplied unless ships were actively employed in fetching and carrying, unless looms were kept going to weave gay fabrics, and unless there was a quickening of industrial and commercial life all round? So the courtiers and the gentlefolk lavished their means upon the vanity of outer things, and the poorer people imitated them to the best of their ability, and England became as merry as its light-hearted monarch could have desired.

In the woollen industry alone about one

million people were engaged at this time, many clothiers employing hundreds of operatives in connection with the various manufacturing processes. In 1662 so many persons were engaged in the making of silks, embroideries, fringes, laces, buttons, and "cut work" that for their protection the importation of all such articles from abroad was prohibited. Protective measures were also adopted for other trades, and in 1666 a peculiar restriction was imposed for the benefit of the woollen manufacturer, it being ordered that no person should be buried in any sort of grave dress that was not made entirely of wool.

All this time commerce with the countries over seas was greatly improved, the East India Company especially benefiting by the change. Its ships brought muslins and silks from the East, as well as spices and other commodities. Charles confirmed them in all their ancient privileges, and their profits accumulated at such a rate that they were soon in a position to double their capital out of them, the price of their stock going up to 245 per cent. At the same time private trading ventures multiplied in all directions, and English shipping increased rapidly. The Port of London became of greater importance than ever, the Thames being alive with vessels. Other ports grew in proportion. Liverpool, which had been much encouraged by Cromwell, now began to do a large trade with the West Indies; Bristol was carrying on an active commerce with America and other parts of the world; and Hull had also increased in importance. In the Far East, Bombay had

been added to the possessions of the British crown, having formed part of the Infanta Catherine's dowry when she was married to Charles II., and though at first "but a poor place," as Pepys describes it, under the fostering care of the East India Company it became an influential trading port. In 1674 New York came under British control, having been wrested from the Dutch, and ministered to the wants of fashion by a large annual yield of furs. Four years earlier, in 1670, the Hudson's Bay Company, with Prince Rupert at its head, had been formed, and had acquired the ownership of upwards of three million square miles of land. This company came to be only second in importance to the East India Company as a profit-yielding enterprise, and for many years, by trading in furs with the Indian tribes, made annual profits amounting to 50 per cent. The New England plantation had also by this time become a source of considerable trading prosperity, the exports from England to America amounting to from £200,000 to £300,000.

The bugbear of foreign competition was, however, always present. In 1672 Lord Chancellor Shaftesbury said that the time had come when England must go to war with the Dutch, for the reason that if we did not master their trade they would ours. "They or we must truckle. One must, and will, give law to the other. There is no compounding where the contest is for the trade of the whole world." In this spirit England went to war with the Dutch, with what disaster to the resources of England

is only too well known. The losses this fierce conflict entailed, coupled with the terrible calamities of the Great Fire and Great Plague, did much to arrest the tide of progress which up to then had steadily flowed from the accession of Charles onward. By this time the new levity had pretty well spent itself, and people were beginning to harbour more serious thoughts. The debauchery of the Court had become a crying scandal, Charles's insincerity and duplicity stood fully exposed, and the country was beginning to discover that it was on the wrong tack for lasting prosperity.

Trade, however, had become so firmly established, and the influence of the leading merchants and captains of industry had become so great, that not all Charles's recklessness could destroy it, and he had the good sense not to interfere with its more serious developments. So long as it could provide him with sufficient revenue for his dissipation it was welcome to follow its own course. Many things combined to counterbalance the evil effects of Charles's conduct, and in the last year of his reign—1685—a fresh religious persecution in France, caused by the revocation of the Edict of Nantes, was the means of giving the greatest impetus to the manufactures of England that had ever been experienced. Over one hundred thousand French refugees — ten thousand from Rouen alone—settled in this country and engaged in the various manufactures then being carried on, and introduced others that were new to England. It was due to them that the silk trade, which had long been languishing, was established on

a successful footing in Spitalfields; they were the means of making the glass manufacture a staple British industry; they led the way in the manufacture of paper; they imparted a great stimulus to the fabrication of linen and cotton; they taught the English how to make beaver hats and numerous other articles; and were thus the means of placing English manufacturers in every respect on an artistic equality with those of France—a very great achievement, and one that did well for the country of their adoption.

It will be seen that, weak a figurehead as Charles II. was for the nation, and little as we owe to his personal influence—except in the way of setting a fashion—the growth of trade, commerce, and industry during his reign was very considerable. The navy, which stood at 57,463 tons at the Restoration, had increased to 103,558 tons at the end of Charles's reign. The post office revenue, which in 1663, along with the produce of the wine licenses, had been farmed at a yearly rent of £25,500, at Charles's death yielded, without the wine licenses, about £65,000 per annum. The population of London, notwithstanding the ravages by plague and fire, had risen during the reign from 400,000 to over 600,000. The Royal Society had been formed in 1662, and from the outset proved an active factor in the advancement of science, both in its own strict province and in its application to the industrial arts. The returns of Custom House duties show that the amount for the year 1662 was £414,946, while at the end of the reign it had considerably more than

doubled. At the beginning of the century the whole land of England at twelve years' purchase was estimated to be worth £72,000,000, and after the death of Charles was valued at £252,000,000.

CHAPTER X.

FROM THE COMING OF THE HUGUENOT IMMIGRANTS TO THE SOUTH SEA SCHEME.

1685–1721.

THE accession of James II. was not an event that in itself had any appreciable effect upon trade. The forces that were at work on behalf of the world's industrialism were not those of the governing powers, and least of all were they helped by royal initiative or favour. The Monmouth and Argyle rebellions, Judge Jeffreys and his Bloody Assize, attempts to abrogate the Test Act, the Declaration of Indulgence, and the Trial of the Seven Bishops were incidents little calculated to keep the course clear for the successful pursuit of trade; and although the prospect was brightened when James fled to France, and the firmer hand and clearer brain of William of Orange assumed the direction of the State, there was still too much harassment on hand for the attainment of prosperity. William, however, was not an obstruction to progress. In matters pertaining to trade he acted mainly on the advice of his leading ministers, which was generally in the right direction, though not always.

The war with France, and the rebellions in Scotland and Ireland, grievously depressed trade during the early years of his reign, and the customs and shipping greatly declined. But the country was able to weather the storm, and when the waste of war had ceased the spirit of enterprise broke forth anew, and eight weary years of distress were succeeded by a period of rising prosperity.

Between 1688 and 1696 English shipping annually cleared outwards had declined from 190,533 tons to 91,767 tons, while in 1697, the first year of the peace, it made the surprising advance to 144,264 tons; and the figures went higher and higher year by year, until 1701, when the exports were carried in 337,328 tons of shipping, 293,703 tons of which was English. The exports told much the same story, being £4,086,087 in 1688, dropping to £2,729,520 in 1696, recovering in 1697 to the extent of £3,525,907, and in 1701 reaching £6,709,881.

Commercial finance began to assume enormous proportions, and the boundaries of speculation were greatly extended. Stock-jobbing and banking came into vogue together, as a result of larger trading enterprises, and the increase of wealth. So many undertakings in connection with trading in distant countries had proved successful that the public were eager to invest in and encourage similar ventures. Formerly shares in commercial associations had not been marketable, but now their holders were allowed to dispose of them in the same manner as other personal property. The National Debt came into existence, and as a

means of dealing with that burden—which during William's reign grew from £664,263 to £12,767,000—and for the better handling of the Debt, the Bank of England was established, primarily as an ordinary bank, but taking special charge of Government loans, and negotiating them with the public, backed by the pledge of the Government. The first subscription which the Bank negotiated was for £1,200,000, and this was subscribed within ten days of issue. The establishing of the Bank, which was founded by William Paterson, the Scottish financier, enabled the Government to borrow money at the legal rate of interest, instead of being compelled, as formerly, to obtain it at whatever rate it could; while it afforded the public a fresh and ready channel for the investment of money. The whole business of money handling was thus revolutionised. The private stock of the East India and other companies, and the public stocks of the Government, were now always on the market; and, while affording greater security than people had enjoyed by simply hoarding their money, provided a ready means of speculation which was eagerly taken advantage of. Other banks were established, and a new system of public finance was entered upon. A craze for speculation broke out. Men and women who scorned trade as something contaminating saw no humiliation or loss of caste in dabbling in shares of trading companies. The fact that the speculation concerned things that were outside their ordinary knowledge—enterprises that meant ships, voyages to distant lands, quest of treasure,

romance and adventure—fascinated them, and so they kept up the gamble, and left trade and industry at home to be taken care of by those whom they more intimately concerned.

Unfortunately, at this time some of the older companies were under a cloud. Wars had interfered with their success, and the new financial speculation was mostly directed to schemes of a shadowy character.

The East India Company had suffered severely by the attacks of private traders, and its very existence was threatened, until, in 1693, the King was induced to renew its charter; but even this did not help it much, for a rival company was formed in 1698, and strongly disputed the possession of the Indian trade with it, but in 1702 the difficulties were disposed of by amalgamating the new company with the old under the title of "The United Company of Merchants of England Trading to the East Indies." This constituted a third renewal of the company's charter. The African Company, the Company of Merchants of London Trading to Greenland, the Russian Company, and the Turkey Company were also before the stock-jobbers as ventures having shares to be dealt in, and the steadier portion of investors took advantage of the security they offered.

But the public mind was under the spell of financial dreaming, and the people were led into some of the wildest schemes ever propounded, including two gigantic company promotions which, extravagant as they were, and so devoid of practical value, were yet entered upon in good faith by their projectors, who at the out-

set fully believed in them. The first was the Darien scheme, by which Paterson, the founder of the Bank of England, proposed to establish a Scottish colony on the Isthmus of Darien. The scheme had been most elaborately worked out on paper by its projector, and appealed strongly to the Scots, who were ambitious of increased commercial success. The idea was to set up a trading settlement which could be used for handling goods from India and China, and forwarding them to Glasgow, which city, it was declared, would soon supersede London as the metropolis of the British Empire. In 1698 three vessels, carrying 1,200 men, sailed from Leith for Darien, and arrived there in safety. At first matters seemed to promise well, but before long the officers of the expedition got quarrelling among themselves, the Spaniards interfered and made matters worse, demoralisation and distress followed, and the whole scheme ended calamitously.

The second of the big schemes was of still bolder proportions. This was the South Sea Company, a project favoured by Harley as a means of paying off the National Debt. The company had been in existence for some years without paying any dividend, when the notion was conceived of extending its operations to the whole of the countries of the South Seas, with exclusive rights to work gold mines, carry on fisheries, and engage in the slave traffic. The proposal was opposed by Walpole and others, but to little purpose ; a general infatuation prevailed on the subject, which the jobbers sedulously encouraged ; and Parliament, with

strange recklessness, made over to the company vast territories over which it had no rights, and money was subscribed with frantic enthusiasm. The members of the company were to be allotted the Government bonds for the National Debt, then standing at nearly £10,000,000, it being represented that the interest and probably the principal would easily be discharged out of the operations of the company in the gold and silver regions of South America. The credulity of the public was amazing, and was not shaken when it was discovered that Spain and Portugal would not permit the company to carry out its projects in Peru and Chili. It was presumed that, even shorn of these anticipated benefits, there would still be ample trade for the company, and enormous profits from trading in other quarters. Nothing daunted investors. The startling example of Law's Mississippi Company in Paris, which failed so miserably in 1719, did not check them. The jobbers fanned the public excitement, frequent reports of discoveries of treasure and the opening up of new markets were published, and the stock rose to something like 200 per cent. Nor was the gambling in shares confined to the South Sea stock. Bubble companies by the hundred, most of them founded upon fraud, were projected and eagerly subscribed for. The delusion spread to all classes, the Prince of Wales even joining in the scramble ; while landowners, noblemen, tradesmen, lawyers, and everybody who could scrape together a few pounds got drawn into the whirl. The South Sea Company, however, was the giant among the minnows, and the mainstay

of the grand delusion so long as it lasted. Over two hundred bubble companies were started in 1720, representing a total nominal capital of not less than £300,000,000. The £100 shares of the South Sea Company rose to £1,000. Then came the grand crash. At the instance of the South Sea Company a number of the pretended companies were proceeded against as being contrary to law, and a panic instantly broke out which not only affected the smaller undertakings, but spread to the instigating company itself, which turned out to be the greatest bubble of all. Down, down went the stock, thousands being utterly ruined.

Meanwhile the industrial life of the country was under a cloud. The older industries and the new were in conflict. After the coming of the French Protestants, attempts were made to establish the cotton manufacture in England as a distinct industry, but, with strange short-sightedness, this was strongly opposed by the manufacturers of woollen, linen, and silk fabrics, who imagined their own trades would be ruined if the cheaper article got a footing. Wherever a band of Huguenots attempted to establish the cotton trade, riots and disturbances followed. The case of the cotton workers seemed hopeless. Parliament was appealed to by the men of the older industries, and the Government was so impressed by the representations that were made that prohibitory laws began to be passed with the object of strangling the cotton manufacture. First, in 1712, an excise duty of 3*d.* per yard was imposed on all calico made in England. Then, in 1714, when it was found

that cottons were still being manufactured, the duty was raised to 6*d.* a yard. But still the manufacture was not entirely rooted out, so in 1721 the making of cotton fabrics was not only absolutely forbidden, but anyone selling cotton goods was rendered liable to a fine of £20 for each offence, and every wearer of the cloth stood under a penalty of £5; but in spite of all the enactments and opposition cotton continued to be made in a few remote corners of the north, though it was not until many years later that it gained any sort of recognition or opportunity.

War caused a good deal of trade depression during the reign of Anne, but, as in the previous reign, as soon as there was peace a quick recovery took place both in the native industries and in foreign trade; and a new market for English woollens was opened up with Portugal in 1703 by the famous Methuen Treaty, negotiated with the King of Portugal by John Methuen, the British Ambassador. This treaty allowed British woollen cloths to be admitted into Portugal on condition that the wines of Portugal were admitted into Great Britain on payment of a duty one-third less than was paid upon French wines. The treaty was the means of greatly increasing British exports to Portugal, and, on the other hand, it had the effect of making port (theretofore almost unknown in this country) a wine for English drinking. The Methuen Treaty also had the effect of transferring much of the Portuguese trade from the Dutch to the English. Indeed, the English were at this time making desperate efforts to outstrip the Dutch in many quarters. British

ships began to oust the Dutch from the Swedish and Danish trade and the Dantzic and Baltic ports, while in the Mediterranean and Indian trade, where the Dutch had formerly been so strong, they also lost their hold to a great extent. In 1700 the Dutch had more ships than the English, but within a very few years of that time the preponderance was altogether in favour of the British. The war of the Spanish Succession, from 1702 to 1713, which ended in the Peace of Utrecht, was highly favourable to British commerce.

Various treaties of commerce in addition to the Methuen Treaty were entered into during this period. That of 1713 with France stipulated that the subjects of both countries should, as to all duties on merchandise, and other matters relating to commerce, be placed in each other's dominions on an equality with the most favoured foreign nation, and this had the effect of bringing much larger quantities of French fabrics into use in England. A favourable trading treaty was also made with Spain in 1715.

It was about this time that the first faint idea of steam as a motive power began to take form. In 1661 the Marquis of Worcester, in his "Century of Inventions," had hinted at such a possibility, but in 1687 Denis Papin, curator of the Royal Society, had demonstrated the feasibility of a steam pump, and by 1708 was communicating to his society a plan for a boat the oars of which were to be propelled by heat. Although Papin's suggestions were never carried to the test of practical working, they were

important enough to attract the attention and approval of Newton, and from that time onward the idea of the steam engine never entirely passed from view.

Trade developments were proceeding at such a rate that improved mechanism was a necessity. First of all, British manufacturers had to make themselves as efficient as foreigners in the production of textiles. It was only in woollen and worsted fabrics that Great Britain could claim to be in advance of foreign rivals. In linen production she lagged wofully behind, in silk she was still worse, and, as regards cotton, there was a complete block.

The Lombes of Derby succeeded, however, in removing the reproach of inferiority in respect of the silk manufacture, but it was not done without effort and risk. Foreign producers kept the secrets of their superior mechanical processes to themselves. Strangers were not allowed to see the machinery except when it was in motion, and then only hurriedly and under such restrictions as prevented a visitor from carrying away any accurate knowledge of the mechanical details. This condition of affairs did not hinder John Lombe from making the attempt to master the secrets of an Italian silk mill. He obtained admission as a visitor, one day disguised as a priest, another day as a woman ; but these short visits afforded him little real insight into the business, and he was compelled to have resort to a bolder artifice. In collusion with a young priest, he appeared before the managers of the mill in the character of a poor youth anxious to obtain some employ-

ment, however humble. On the recommendation of the priest, Lombe was put to work upon a spinning engine called a "filatoe," and, because of his presumed poverty, was given sleeping accommodation in the mill. This was all he wanted. During the day he did his allotted task with due diligence, and at night he used to creep forth, with a dark lantern and mathematical instruments, and make the most minute investigations into the construction of the machinery. In this way he was enabled to make drawings of the different parts, each drawing as it was completed being handed to the priest, who occasionally called to inquire how the "poor boy" was getting on. The priest passed the drawings over to the agents of Messrs. Lombe, who transmitted them to England piecemeal in bales of silk. Thus the whole of the secrets of the Italian silk mill were divulged to the Derby firm, the discoverer made his escape, and there was subsequently established on the banks of the Derwent an English silk mill as adequately equipped as any in Italy.

The Lombes were the first to carry on the silk manufacture in England on any large scale. A great factory was built, and the silk-spinning and weaving machines that were put in it were regarded as something wonderful. The buildings were "half a quarter of a mile in length." Thomas Lombe was knighted, and when the patent of his silk-throwing machine expired Parliament voted him £14,000 "for the eminent services he had done." From that time the silk industry in England grew to be of

considerable importance, though still surpassed by that of France.

It was a period of industrial awakening in all directions. Population had largely increased, and the pursuit of agriculture was gradually overshadowed by that of the industries. Iron and coal were beginning to strengthen their hold, and it was in connection with these mineral products, with which the country was so generously endowed, that the genius of invention was showing a fresh activity. Machinery and machinery workers were forcing themselves into prominence. By 1719 iron was considered to be third in the rank of English manufactures, and gave employment to some two hundred thousand persons.

CHAPTER XI.

FROM THE SOUTH SEA COLLAPSE TO THE ERA OF MECHANICAL INVENTION.

1721–1785.

At the beginning of this period Great Britain had the good fortune to have for its first minister a statesman who possessed more enlightened views on economic policy than had been usually held by British politicians. Sir Robert Walpole, who remained Prime Minister for twenty-two years, propounded the then new theory that the extension of commerce would be best promoted by making "the exportation of our manufactures, and the importation of the

commodities used in the manufacturing of them, as practical and easy as may be"; and he signalised the adoption of this policy by relieving of duties more than a hundred export and about forty import articles. In a similar spirit commercial freedom was granted to the colonies, a step which enabled them for the first time to send their products to other countries besides Great Britain, and materially advanced the prosperity of the American and West Indian plantations. For a time there was a considerable increase of prosperity both at home and in the colonies; but when Walpole ventured still further upon the path of free-trading in 1733 by proposing his famous Excise Bill, he met with such opposition from those who misunderstood its meaning that it was evident he was in advance of his time, and he abandoned it. Later occurrences and complications with foreign nations prevented any attempt to revive the scheme, which Walpole declared "would have made London a free port, and, by consequence, the market of the world."

Under the new prosperity the trading ports and industrial towns of the kingdom expanded at a surprising rate. Bristol and Glasgow throve by the tobacco trade, which by this time had grown to immense proportions. Liverpool doubled in size between 1726 and 1760, and employed upwards of three hundred vessels in the American and Guinea trades, which included a large traffic in negro slaves. As time wore on the tobacco trade, which in 1716 had employed Liverpool shipping to the extent of

18,371 tons, became of much less importance than the slave trade itself, and it was this trade that was the making of the great commercial port of the Mersey, leading to a fourfold increase of population in the latter half of the eighteenth century. Bristol grew prosperous by the same traffic. Glasgow did not compete in the slave trade, but for many years imported more than half the tobacco brought into the kingdom, although the Glasgow men had enterprise enough to embark upon numerous industrial undertakings independently of their foreign and colonial trade, and made rapid strides. There was development in every direction. Bristol, with nearly one hundred thousand inhabitants, and a large mercantile fleet, ranked next to London. Birmingham, with its manufacture of arms, toys, and hardware, was a town of some fifty thousand people. Leeds was springing into note as the great cloth mart of the north, with a population of nearly twenty thousand.

It was a time of new men, new methods, and new conditions. The whole social and industrial fabric was undergoing change, and it was in connection with the cotton trade that the new life was shaping itself with the strongest force. Driven away from all the older centres of industry, where it had vainly tried to get a footing, penalised by the law, and fiercely opposed by the supporters of the older industries, it finally took refuge in the County Palatine, which was then but a sparsely populated region, with only three towns — Manchester, Liverpool, and Preston—of any special com-

mercial importance. Until 1736 the cotton manufacture was practically an illegal industry ; but in that year the use of cotton was permitted for weft, provided the warp was of linen, and it was this mixed kind of cloth that, under the name of cotton, gradually worked its way into favour. It was not until 1774 that the manufacture of entire cotton goods was allowed, after which the advance in this industry was very remarkable. The development was greatly assisted by an improvement in the supplies of the raw material through the ports of Liverpool and Glasgow, the West Indian colonies being then the chief cotton-growing countries, America not having taken up the cultivation of the fibre as yet. By about the middle of the century the industry had risen to such importance that some forty thousand persons were employed in it, and cotton pieces to the value of £600,000 a year were being manufactured, the exports of these goods amounting to nearly £20,000 a year.

Then came the remarkable inventions which in a very few years changed the whole aspect of industrial things; and it is a notable fact that the leading inventors of the latter half of the eighteenth century were of the artisan class—humble workers who, in their cottages and little improvised workshops, quietly worked out the mechanical problems which achieved so much for the world, if not for themselves.

It was from about the middle of the century, or a little earlier, that the labour-saving contrivances which lifted England within a very few years from a third-rate manufacturing

country into the leading position among industrial nations were brought into force. Up to that time Englishmen had not shown any special gifts in the way of mechanical invention. Nearly all the textile processes then in use had been introduced from abroad, and had undergone little improvement at the hands of native mechanicians.

Weaving and spinning had been carried on in private houses and small workshops, and the looms and spinning wheels were much the same in construction as they had been for centuries. The shuttle used for weaving was passed through the warp from side to side by hand as the weaver lifted the alternate threads of the warp by pressing a lever with his foot—a process that was slow and cumbersome. To expedite matters in this respect, John Kay, in 1733, invented the fly shuttle, propelled by a mechanical contrivance that enabled the weaver to get through twice as much work as before. The effect of the adoption of Kay's shuttle was both to lessen the weaver's labour and to reduce his wages, so, while the masters were anxious to avail themselves of the new shuttle, the weavers declined to adopt it, finally making an attack upon the inventor's house and threatening his life. The sequel, as far as Kay was concerned, was sad. He went to France, and after a few years of ineffectual struggle died a pauper.

The next inventor, John Wyatt, applied himself to the improvement of the spinning processes, and, after three years of close effort, produced a machine, in 1733, which, in the words of his son, "spun the first thread of cotton

ever produced without the intervention of human fingers." This was at Sutton Coldfield. The invention consisted of a pair of revolving cylinders, one plain and the other fluted, through which the carded fibre was passed to another pair of rollers revolving more rapidly, thus securing an evenness of fibre not previously attained. Wyatt, however, was short of money, and allied himself with Lewis Paul, of Birmingham, who promised to finance the invention; but by one mischance and another the new process never got into satisfactory working, and nothing further came of the idea, until Arkwright subsequently revived it, and worked it into practical shape.

Joined to the possession of the inventive faculty, Arkwright had that practical business capacity which in him and others achieved as much for British industrial supremacy as invention itself. The fact is sometimes lost sight of in the contemplation of the careers of the earlier inventors, but it has been the business man, with his keen insight into commercial possibilities and his quick adaptability of means to ends, who has secured the triumph, and deserves no small credit for the victory. The new business man was as much a natural outcome of the situation as the inventor. He was the general who marshalled the industrial forces and led them to conquest, although he was often selfish and tyrannical, and apportioned to himself more than his due share of the profit of the combined venture. The revolution was so rapid, however — invention succeeded invention so closely—that both masters and

workpeople were thrown a good deal out of their ordinary reckoning; and while, on the one hand, there was a somewhat merciless pressing forward of the new mechanical forces, there was, on the part of the workpeople, an equally merciless resistance to the natural expansion of industrial invention.

Between the date of Wyatt's failure with the spinning machine and Arkwright's successful application of the idea, the distance between the two inventions had been lessened materially by the invention of the spinning jenny, which a poor weaver, of Stand-hill, near Blackburn, had, in a moment of inspiration, created. One day, while Hargreaves was watching his wife at her spinning, waiting for her to give him a fresh supply of weft, her one-thread wheel was thrown suddenly from a horizontal to an upright position, and as both wheel and spindle continued to revolve, the idea occurred to Hargreaves that it would be possible to erect several spindles side by side, and spin a number of threads at one operation. This gave him the germ of the idea of his machine, which he shortly afterwards worked out into a practical machine of eight spindles, enabling him to produce eight times as much yarn as before. Such was the origin of the spinning jenny, so named after his wife. He continued to work the machine secretly in his own house for a time, but when his neighbours discovered that he was spinning an increased quantity of yarn they grew suspicious of him, attacked his house, and destroyed the jenny. This caused him to remove to Nottingham. In 1770 he took out a patent for

a spinning jenny of sixteen spindles, and although the patent was invalidated, because of the inventor having previously sold several machines, the Lancashire manufacturers paid him £4,000 for permission to use it, and he was fairly successful with his small spinning factory at Nottingham, although he had the mortification of seeing his invention made the subject of fierce contention between masters and workpeople. So serious were the spinning-jenny riots at Blackburn that old Robert Peel and other manufacturers removed their works to other parts of the country.

By this time Arkwright had become a considerable figure in the cotton manufacturing world. It was while practising his calling of an itinerant dealer in hair that he had his attention drawn to the problem of machine spinning, and his first model was set up privately at Preston. It was a decided advance upon Wyatt's original effort, and seemed to promise practical success. But even when this stage had been reached the difficulties in the way of its introduction were such as to give the inventor serious pause. Arkwright wished to avoid the fate of Kay and Hargreaves, for the attitude of the workpeople was still threatening, so he betook himself to Nottingham as Hargreaves had done, and there was fortunate enough to obtain the assistance of some local bankers, who introduced him to Messrs. Need & Strutt, the stocking manufacturers. Mr. Jedediah Strutt was himself an inventor of great ability, who had invented a machine for making ribbed stockings which had proved highly profitable. In 1769 Ark-

wright took out the patent for his first machine, which by its effective arrangement of rollers produced a stronger and more compact yarn than had previously been spun, and in 1771 he and Need & Strutt established the first English spinning mill, worked by water power, at Cromford, on the Derwent.

About the same time another poor inventor, Samuel Crompton, was interesting himself in the spinning machine problems. He had set himself the task of producing a machine that would combine the principles of the inventions of Hargreaves and Arkwright in one machine. It took him five years of secret experiment in his cottage garret to mature his machine, but he eventually succeeded, and, like Hargreaves, for a time contented himself with quietly using his new contrivance for his own purposes. The mule, as he called it, produced a much finer yarn than had theretofore been spun, and Crompton might have made a fortune out of his invention had he been possessed of Arkwright's business instincts. When Crompton was questioned as to how he managed to spin such fine yarn he let the manufacturers into the secret on their subscribing a sum of fifty odd pounds, and the firm of Peel, Yates & Co. — of which Sir Robert Peel, the grandfather of the eminent statesman, was the principal member—were the first to profit largely by the invention, making their own machines after Crompton's model. In a very few years millions of Crompton's spindles were in operation, and the only recompense the inventor received was the original fifty odd pounds, and

a tardy grant of £5,000 by Parliament in 1812, which was of little good to him, however, for he put it to unremunerative uses, and some years later died in extreme poverty.

These several inventions changed the spinning processes from a hand to a machine operation, and multiplied the power of production a thousandfold. But while the art of spinning was thus completely revolutionised, the more advanced stages of fabrication were left in their old manual condition. Nothing had been done in aid of weaving since the introduction of Kay's shuttle, and it was objected by many that the time would soon arrive when the new cotton-spinning machinery would be making more yarn than the weavers could work up, with the result that it would have to be largely exported to the Continent, and might there be woven into cloth so cheaply as greatly to injure the English trade. At this juncture Dr. Edmund Cartwright, a country clergyman, conceived the idea of inventing a machine for weaving, and, after much laborious experiment, succeeded in his task, and in April, 1785, took out the first of all patents for power looms, and, although it was some years before the machine was made efficient and widely adopted, the first Cartwright loom was the germ of all the power looms that followed. Dr. Cartwright, it may here be mentioned, was the father of another great labour-saving invention which belongs to a later period — viz., the wool-combing machine, for which he took his first patent in 1790, although it was not for half a century or more after that date that the wool-combing

machine was brought to the point of practical utility by others.

The spinning inventions referred to, though at first devised only for the cotton industry, were easily adapted to the wool, worsted, and flax manufactures. This immense increase of productive capacity was at first coped with by the application of water power, the factories in which the new spinning processes were used being erected on the banks of rivers and streams, where water-wheels provided the moving force. A mightier generator of mechanical power was necessary, however, and was in due course supplied by the steam engine invented by James Watt. Watt's first patent was taken out in 1769, and was a great improvement upon the engines previously invented by Savery, Newcomen, and others. At first used only for mining operations, Watt's engine was, in 1785, applied to a cotton factory in place of water power, and was soon adopted into this larger sphere of utility. By these several master inventions the whole aspect of the world's manufactures was changed, and England became the ruling power in industrial affairs—the chief manufacturing nation of the world.

The labour of men's hands had been supplanted by machinery in a great measure, and, in every instance where mechanism had superseded manual toil, the work was performed not only a thousand times more rapidly, but much more accurately. Dismay entered the hearts of the operative classes as they witnessed the introduction of machine after machine, and, as they thought, saw their means of livelihood

taken from them. Few were able to foresee that machinery would strengthen the country's hold upon the textile arts, and ultimately bring about the industrial conditions that would benefit workers as well as employers.

But there was no turning back. Progress in one direction begets progress in another. The spread of manufactures, the increase of production, the growth of towns, and the necessity for quickened transport awakened the country to supreme efforts. Roads were improved, the coaching and road transport services were accelerated, there was a great augmentation of shipping, and an important system of navigable canals, for the conveyance of goods from place to place, immensely facilitated and cheapened the inland transport of goods. The Bridgwater Canal was the forerunner of a vast series of similar waterways which, in the course of a quarter of a century, gave Great Britain some three thousand miles of canals.

Meanwhile the rumblings of steam were being heard in other directions than the textile factories. Murdock, Watt, and Symington had succeeded in making steam carriages, but without arriving at the point of practical adaptability. Still, steam was in the air, and from this new power mighty developments were looked for.

The cloth trade was still the chief native industry, and was more widely distributed than formerly, the expansion being greatest in the West Riding of Yorkshire. In 1776 the woollens manufactured in the West Riding alone amounted to 99,586 pieces of narrow cloth and

99,773 pieces of broad cloth, and the general extent of the manufacture may be gathered from the returns of the time, which show that the value of raw wool used in the country was £4,500,000, while the value of the manufactured wool was £13,000,000. This was in 1741. The linen manufacture was now enjoying considerable prosperity in Ireland, and Scotland was also giving a good account of herself in this branch of industry.

This period also witnessed a gratifying development in the iron trade of the country. In 1740 the annual output had dwindled to 17,350 tons, from 180,000 tons in 1719. The invention by Darby of the blast furnace, which brought coal into general use as furnace fuel, had the effect of immediately extending both the coal and the iron trades. This led to the establishment of ironworks on a large scale near the great coalfields of Yorkshire and Scotland. A further impetus was given to the iron industry by Cort's invention of the puddling furnace in 1783, which enabled cast iron to be converted into bar iron by flame exposure, a process which had the effect of increasing the output of British iron fourfold in the course of the next twenty years.

The steam engine, by providing an improved method of pumping water from the coal mines, and propelling the machinery for drawing the mineral to the surface, made coal mining a much easier operation, and enabled the coal owners to keep pace with the increased demand caused by the use of coal in the iron trade, and for the purposes of steam generation. The coalfields

were opened up wherever they existed, and where the coalfields were there also were the ironworks and the manufacturing centres. It was the possession of its splendid coalfields that gave England its industrial supremacy.

During the same period the pottery of England underwent a very important development. Up to 1720 pottery had not been of much account in this country. Some Huguenot immigrants had done something to improve the trade in the sixteenth and seventeenth centuries, and early on in the eighteenth century two Germans, named Elers, brothers, started a factory at Burslem, and succeeded in turning out pottery of a superior kind. They had a workman named Samuel Astbury, who contrived to possess himself of their trade secrets, and set up in business for himself, becoming their most important rival.

It was left to Astbury's nephew, however, Josiah Wedgwood, to make still greater strides in the potter's art. Born at Burslem in 1730, Wedgwood served an apprenticeship that carried him through all the branches of the trade, and in 1759 was able to set up in business for himself with money he had saved. With a patience almost equal to that of Bernard Palissy, he persevered through failure after failure, until in a few years he produced the desired ware in such an improved form that the demand for it became very great. His efforts from that time forward were eminently successful, and his ware became fashionable and led to a great extension in the pottery trade in Staffordshire, as is shown by the rapid increase of the popula-

tion of the Potteries, which in 1762 was only about seven thousand, and more than trebled itself before the end of the century.

Thus it will be seen England was transformed from a semi-agricultural community into a vast workshop by means of the remarkable inventions which stand to her credit during this period. Other circumstances also tended to increase the general prosperity. At the end of the Seven Years' War, in 1763, England held a very powerful position. France had been shorn of most of its colonial possessions, and Great Britain was master of the situation both in India and America. Canada, Florida, and other French possessions had been conquered; the influence of Spain as a commercial power had waned; and among the German nations, and in Holland, dynastic contentions and internal troubles made their rivalry of small importance. Great Britain's domination of the seas was almost undisputed.

The ground gained in India was of immense advantage to British trade. The splendid achievements of Clive and Lawrence had entirely broken the French power in India, and after 1765 the East India Company became possessed of the revenues of Bengal, Behar, and Orissa, and thenceforward English dominion in India remained undisputed except by native princes. The East India Company were able in 1777 to discharge their debt to the Government, and in the following year paid a dividend of 8 per cent. A new charter was granted to the company in 1781, confirming them in their commercial privileges; and in 1784, on the

motion of Pitt, a Bill was passed establishing a Board of Control of the India Company.

Proud in her commercial eminence, England now assumed the position of commercial dictator, and while that spirit lasted fell into many errors that cost her dear. The unfortunate desire to divert every commercial channel in the direction of Great Britain led to much trouble. The injustice done to the American colonies by restricting their imports to goods received from England, by restraining the colonists from establishing manufactures, and by imposing vexatious taxation, produced the resistance which culminated in the War of Independence, and eventually lost England the whole of her American colonies. This was a terrible blow to England, but it did not affect her commerce to the extent which had been expected.

The general proportion of things had been greatly augmented during this period, the population had been more than doubled, the manufacturing processes had been changed from the manual to the mechanical order, the vast iron and coal resources of the country had been opened up, new industries had been established, old industries had been greatly augmented, better systems of transport had been brought into use, the steam era had been entered upon, and the wealth of the country had been vastly increased, notwithstanding the wars and other disturbing forces which had prevailed. Great Britain stood on the crest of the commercial wave.

CHAPTER XII.

FROM THE BEGINNING OF STEAM POWER TO THE LUDDITE RIOTS.

1785–1812.

THE close of the American War found Great Britain in an embarrassed condition. Commerce had been crippled, over £100,000,000 had been added to the National Debt, and, in the eyes of Europe, England was a weakened power. The French Revolution increased the national confusion, and there was much in the aspect of things generally to cause grave anxiety. The recuperative capacity of the country, however, was strikingly displayed in the renewed activity which took place in commerce and industry on the restoration of peace. There was naturally some interruption in the trade between England and America, but both countries had such need of each other's markets that only a very short time elapsed before jealousies and animosities gave way to a favourable interchange of trading privileges, and America again became one of Great Britain's best customers. Nor was this the only trade advantage which England gained during this short period of respite from war. In 1786 she entered into a commercial treaty with France which contained valuable trading concessions to both sides, and was framed in a spirit of wise liberality, resulting in an immediate improvement in the trade between the two countries. The commercial outlook was more than favourable, and between 1785 and

1793 there was increased prosperity all round.

The steam engine was gradually extending its sway, thanks to the business ability brought to bear upon it by Watt's partner, Matthew Boulton. Contemporaneously, other inventors were at work endeavouring to adapt steam power to navigation. In 1788 three clever Scotsmen—Miller, Taylor, and Symington—constructed a steamboat that demonstrated the feasibility of the idea, and on Christmas Day of the following year Miller and Symington made a trip on another steam-propelled boat on the Forth of Clyde Canal, attaining a speed of seven miles an hour.

The cotton manufacture was now in the first flush of its prosperity. The various inventions before mentioned had lifted it into an industry of leading importance. It attracted both capitalists and operatives in ever-increasing numbers, and transformed Lancashire into a vast hive of manufacturing industry, causing an increase of population in that county in the latter half of the century of from under three hundred thousand to nearly seven hundred thousand. So rapid had been the expansion that in 1788 there were 143 cotton mills in active operation in Great Britain, representing an investment of over a million sterling. Everywhere the water-wheels were being superseded by steam engines. The imports of raw cotton into the country increased in value from less than £5,000,000 in 1775 to £56,000,000 at the end of the century, while the exports of manufactured cotton goods showed an advance in value of

from £800,000 in 1785 to £5,000,000 in 1800; by which time America had entered the list of cotton-growing countries, and was making rapid progress in its cultivation. The expiration of Arkwright's patent in 1785 had a good deal to do with the rapid extension of the cotton trade, inasmuch as it made the invention free to all who liked to adopt it. Valuable improvements were also introduced about this time in calico printing and dyeing, all of which tended to the advancement of the trade.

The woollen industries in the first few years of this period were seriously affected by the fact that Spanish merino wool was fetching a much higher price than English wool because of its superior quality, and there was much agitation and some foolish protective legislation on the subject. Nothing, however, could prevent the extension of the woollen manufactures, especially in Yorkshire, that county alone producing nearly £8,000,000 worth of cloths of various kinds (including worsteds) in 1799. By this time similar machinery practically to that of the cotton trade was in use in the woollen manufactures, and it was estimated that the improvements enabled ten persons to get through as much work in 1800 as it would have taken 450 to execute in 1785.

Some new industries had also been introduced. Birmingham became an active centre for gun-making; the glass manufacture was showing progress; while the discovery of an improved process of making cast steel was doing much to increase the cutlery trade of Sheffield.

In the seven years between 1785 and 1792

there was a very marked increase in British trade with foreign countries, the exports showing an advance of from £16,000,000 to £25,000,000, while the imports for the same period rose from £16,000,000 to £20,000,000.

From 1784 the East India Company was under Imperial control, and a great increase of trade resulted. At the same time the trade with the West Indies was being developed, the exports of Jamaica alone reaching the sum of £2,200,000. In connection with the East and West Indian trade the traffic in slaves had grown to such dimensions that in the interests of humanity it became necessary that some legislative interference should be brought about, and it was in 1788 that Wilberforce brought in his Bill for the abolition of the slave trade, and, although the Bill was defeated at that time, through the influence of the men engaged in the trade, the agitation which had been evoked was too strong to be allayed, and gathered force in subsequent years, until it ultimately attained its object.

Coming to the year 1793, we enter upon a long period of successive calamity and disaster, caused by our wars with France, which lasted, with but little intermission, from that date up to 1815. Already the French Revolution had thrown its shadow across the prospect of British commerce, and much uncertainty and confusion prevailed, but such a sudden trade depression as supervened when England threw down the gauntlet to the new republic, and stood forth as the champion and protector of Europe generally, had never been imagined. There

was a general panic among the business houses of the country, failure succeeded failure, many banks stopped payment, and commercial chaos prevailed. To meet the cost of the war heavy burdens of taxation were imposed, and the working classes were plunged into distress. So serious was the aspect of affairs that Pitt hastily put a Bill through Parliament authorising an advance of exchequer bills to persons who were solvent, and only temporarily embarrassed, the sum of £5,000,000 being set apart for this purpose; but, as it turned out, matters were not quite so serious as had been supposed, only 238 persons applying for advances, and only £2,200,000 being lent to them. The effect of the measure, however, was salutary, inasmuch as it inspired new confidence, and the panic shortly afterwards abated.

When it was seen that England was able to stand against the storm which had so rudely broken in upon its dream of commercial prosperity, the alarm gradually subsided, and, in spite of the drafts that were being made upon all classes of the community, to supply fighting men and bear the cost of the immense armaments, the country rallied bravely to the cause, and upheld the commerce and industries of the nation as well as the disturbing circumstances of the moment would admit. For a time there was, of course, an entire cessation of trade between France and England, the treaty which had promised so well was at an end, and the difficulties of keeping up commercial relations with the other countries of Europe were increased. Holland, with which we had done a

considerable trade, was annexed by France, France made an alliance with Prussia, Spain declared war against England, and from one cause and another the ports of Europe were practically shut against British merchandise. But there was a brighter side even to this dark story. For if the trade with the countries coerced by France fell off, there was a more than counterbalancing increase of trade with America, Russia, Germany, and the East and West Indian possessions. Still the drain upon the country was so terrible that trade distress and financial embarrassments showed a deplorable increase. There had been such a drain of specie from the Bank of England that, although that institution was in a perfectly solvent condition, it was deemed necessary to suspend cash payments, and bank notes became the regular currency for commercial transactions. There was a gratifying recovery in commerce generally, due in a considerable measure to the splendid service of our naval forces in protecting the trade routes between England and distant ports, but, although trade in the bulk suffered so little, the high prices of provisions and the excessive taxation threw the working population into deep distress, causing riots and outrages in many parts of the country. Out of a total population of ten millions, about six millions were engaged in trade and manufactures, and it was the operative classes in the industries that were the chief sufferers.

For one year—1802—hostilities were suspended, and again people turned with earnest-

ness to trade; but the country had hardly begun to feel the effect of peace ere the war was renewed in 1803, to be carried on to the bitter end, twelve years later. From this time until 1815 every nerve was strained to frustrate the power of Napoleon. "Roll up the map of Europe," Pitt had said after the Battle of Austerlitz; "it will not be wanted these ten years." And for a time, while Napoleon's star remained in the ascendant, it seemed as if the Continent was to undergo such dismemberment and reorganisation as the dictator might choose to ordain. He had formed the lesser States of Germany into the Confederation of the Rhine; had brought Prussia to his feet by his victory at Jena; and when, in October, 1806, he entered Berlin in triumph one of his first acts was to issue a decree against all commercial intercourse with Great Britain, and declare the whole of the British Islands to be in a state of blockade. Wherever among the ports under his control English merchandise could be seized it was held for ransom. In many cities large quantities of confiscated English goods were publicly burned. England replied in 1807 by declaring a blockade of all the ports of France and her allies, which led Napoleon to issue a still more stringent decree against British commerce; but England was so strong on the seas, and had so much help from neutral ships, that all Napoleon's proclamations were soon of little avail. As a matter of fact, the first few years of the nineteenth century witnessed a considerable increase in the industrial output of the country, while the population at the same time increased from

ten millions to thirteen millions. Falling prices, bad harvests, and low wages still kept the working classes in the extreme of poverty; landowners, farmers, and manufacturers were the classes that made money during this period; and in 1811 a general commercial distress set in, the exports in 1811 showing a decrease of £15,000,000 on the preceding year. A second war with the United States had lost the American market to us, and the expenditure on the war with France grew greater and greater. Parliament had found it necessary in that year to pass a further measure for the relief of the commercial classes, authorising the issue of exchequer bills to the amount of £6,000,000, for advances to embarrassed traders, to be repaid by instalments, but, as before, only about one-third of the amount was applied for.

With wages at starvation level, where employment was to be had at all, with thousands unable to get any work to do, and with provisions at famine prices, the year 1812 witnessed one of the darkest chapters of English industrial history. Nearly one-half of the population of Nottingham were receiving parish relief, and in the manufacturing districts of Yorkshire and Lancashire the condition of things was but little better. A terrible period of excitement, panic, and depression ensued, and a series of disturbances began at Nottingham which spread through the whole of the manufacturing districts of England, and were everywhere serious in their consequences. The rioters formed themselves into an organisation under the title of the Luddites, so called from the fact

that one of the Nottingham leaders went by the name of Ned Ludd. Their avowed purpose was to destroy all the machinery in the country, which they regarded as the cause of their distress. They began by demolishing a number of improved stocking frames at Nottingham, and followed this by breaking up in Nottingham alone over one thousand looms. Matters assumed such a serious aspect that a law was hurriedly passed making the offence of destroying a machine punishable with death. The operations of the Luddites were carried on with so much secrecy that, in spite of all that could be done by the authorities, civil and military, to repress them, they continued their depredations for a considerable time. It is worthy of note that when the Bill making frame-breaking a capital offence was before the House of Lords, Lord Byron, in a maiden speech, spoke in defence or excuse of the rioters. He contended that the outrages had arisen from circumstances of the most unparalleled distress. "The perseverance of these miserable men in these proceedings," said the poet, "tends to prove that nothing but absolute want could have driven a large and once honest and industrious body of the people into the commission of excesses so hazardous to themselves, their families, and the community." Though the law was passed, it did not deter the rioters from continuing their desperate crusade, and from the destruction of machinery they were not long in getting to the sacrifice of human life.

From Nottingham the agitation spread to the manufacturing districts of the north, and the

West Riding of Yorkshire ultimately became the most prominent scene of the operations of the Luddites. The solitary moors and commons afforded convenient gathering grounds for the rioters, who used to assemble in the dead of night and debate their desperate plans, a fearful oath being administered to every member of the organisation never to reveal their secrets "to any person or persons under the canopy of heaven," under the penalty of being "sent out of the world by the first brother" who should meet them, having their name and character "blotted out of existence, never to be remembered but with contempt and abhorrence." The movement swelled to the proportions of a rebellion; no mill or millowner was safe from attack. Bands of military were planted throughout the districts, and encounters between the soldiers and the rioters were almost of daily occurrence. The gaols were soon overflowing with prisoners, who became so numerous that special commissions were necessary to try them. At the special commission opened at York on January 13th, 1813, sixty-four persons were put upon their trial for offences connected with Luddism, and fifteen of them were executed on the same scaffold on the morning of the sixteenth of the same month. After that the activity of the Luddites was relaxed, and it gradually began to dawn upon the people that there were other causes than the introduction of machinery responsible for their distress.

The rapidity with which the change from hand to mechanical labour had been brought

about would doubtless have produced a considerable amount of distress even had there been no war to aggravate the conditions. Capitalists, large and small, had seen in the new industrial instruments a readier means than had previously been presented of becoming rich, and in the hurry to turn the transformation to account had established systems of labour which said little for their humanity, and wrought great evil among the working classes. The factory system that was then established completely changed English industrial methods; the workers were huddled together in unhealthy factories, compelled to work from early morn till late at night; and, what was the worst feature of the system, young children of tender years were set to toil in the mills under such hard and repellent conditions that their constitutions were undermined, and a race of working people grew up stunted in body and weak of constitution. So bad had things become that in 1802 an Act was passed for the benefit of the "health and morals "of apprentices and others employed in mills, and the hours of work were reduced to twelve per day. There was much that was unspeakably revolting in the factory system as then carried on, but, fortunately, these evils excited the sympathy of a number of generous-minded men who began an agitation for the amelioration of the condition of factory workers, and eventually succeeded in breaking down the worst features of the system. In 1807 the abolition of the slave trade took the fetters of oppression away from every negro under British control, but many years had to elapse

before an equally galling slavery was terminated for the victims of the factory masters.

The distress amongst the working population at this period was severe. In addition to the direct injury to the national industries caused by the war, the restrictive action of the legislature in shutting out the trade of the neutral countries had a very serious effect. There was panic all round. Neither the Government nor the employers of labour nor the operative classes got at the true cause, and in the general impoverishment all classes lost their heads. A parliamentary inquiry resulted in the most heartrending disclosures. "We have examined above one hundred witnesses," said Lord Brougham, speaking on the report of the committee, "from more than thirty of the great manufacturing and mercantile districts, and in all this mass of evidence there was not a single witness who denied or doubted the dreadful amount of the present distress. Take, for example, one of our great staples, the hardware, and look to Warwickshire, where it used to flourish. Birmingham and its neighbourhood—a district of thirteen miles round that centre—was formerly but one village, I might say one continued workshop, peopled with about four hundred thousand of the most industrious and skilful of mankind. In what state do you now find that once busy hive of men? Silent, still, and desolate during half the week; during the rest of it miserably toiling, at reduced wages, for a pittance scarcely sufficient to maintain animal life in the lowest state of comfort; and at all times swarming with unhappy persons,

willing, anxious to work for their lives, but unable to find employment." A still more melancholy account was given of the position of affairs in the manufacturing districts of Yorkshire and Lancashire. Speaking of the people engaged in the cotton industry, Brougham said, "The food which now sustains them is of the lowest kind, and of that there is not nearly a sufficient supply; bread, or even potatoes, are now out of the question; the luxuries of animal food, or even milk, they have long ceased to think of. Their looks, as well as their apparel, proclaim the sad change in their situation." These were dark days indeed, and the distress was so deep-seated that when at last war ceased it took some years to bring the various social and industrial elements into harmony again.

Nevertheless, earnest effort was being made, and the people were hopeful. The work of invention still went quietly on; manufacturers held on to their undertakings and prepared for a coming prosperity, the working classes, when they saw that no good resulted to them from their opposition to machinery, assumed a more patient attitude, and ultimately all were found working together in a more or less amicable alliance for the common good. Every year saw improvements made in one direction or another. There was a canal system practically covering the entire country; steamboats were being introduced on the principal rivers; gas lighting was being substituted for oil in the large manufacturing establishments and in the streets of London; the locomotive, though not as yet a

thoroughly practical contrivance, had been sufficiently far advanced, by the efforts of Trevethick, Vivian, Blenkinsop, and others, to foreshadow its early adoption; there had been a wonderful revolution in road construction, increasing the facilities of inland transport; shipping was vastly augmented; Australian wool was being imported into England; the steam printing press had made its appearance; and, despite the general depression, in nearly all those branches of effort which make for material prosperity the record was one of progress.

CHAPTER XIII.

FROM THE INTRODUCTION OF THE STEAMSHIP TO THE TEN HOURS FACTORY ACT.

1812–1847.

By this time the resources of the country were far spent. Prices of domestic commodities continued high, taxation remained heavy, and there was an increase rather than an abatement of the general distress. A slight improvement of trade with Russia, Spain, and Sweden was more than counterbalanced by the cessation of trading intercourse with the United States, consequent on the breaking out of war with that country. British commerce became deranged, many causes contributing to the confusion. There was no stability about things.

The fluctuating fortunes of the war were reflected in the operations of trade, and even when an assured peace came at last, and the disturber of Europe was rendered powerless by his defeat at Waterloo, most of the evils which had grown up during the long strain of war were unabated. In spite of the benefit from the resumption of peace and trade with America, and of the removal of trade restraint from the Continent, any quick restoration of prosperity was impossible. England had become burdened with a debt of nearly £1,000,000,000 sterling, the interest upon which amounted to double the whole revenue of 1789. Every description of commodity was taxed to meet this enormous charge, and the pinch of the burden fell upon the working classes with the greatest severity; wages having fallen to the very lowest point, while wheat had risen to the highest. One of the chief causes of the distress was undoubtedly the selfish action of the landowners and farmers in keeping up the price of corn, and their influence was strong enough to maintain for a long period a series of restrictive enactments which pressed very hardly upon the consumer. In 1815 a law was passed prohibiting the importation of foreign corn until the average price of wheat should be 80*s*., rye 55*s*., barley 40*s*., and oats 26*s*. per quarter, which had the effect of practically excluding foreign corn from the home market, while British corn was allowed to be freely exported. The working classes were so incensed at the cruel operation of these laws that an agitation sprang up which gathered in force year by year. Riots took place in many

parts of the country, and in London the houses of ministers were attacked. Considerable alarm began to be felt in high quarters. In 1817 Lord Castlereagh announced in the House of Commons that the Prince Regent, "sympathising with the sufferings of a generous public," had determined to give up £50,000 per annum of his income; and at the same time ministers "voluntarily dispensed with one-tenth of their official incomes," the expenditure being reduced altogether by £6,500,000. But this was not getting at the root of the evil; the misery of the people continued, and led to the development of various popular movements which were in the highest degree threatening to the governing and landowning classes.

But in the midst of all this depression and agitation the foundations of an extended trade were being successfully laid. Although many factories were restricting their operations, and there was a stagnation in business generally, the work of invention was being prosecuted to larger issues. Though Watt was no longer present to direct the potent power which he had brought into subjection, steam was being harnessed to machine after machine, annihilating toil and abridging time and space in a way truly marvellous. Fulton, on the Hudson, had given the touch of practicability to the steamboat, and not long afterwards this method of navigation was adopted in every civilised country, being seen on the Thames in 1815, and in Paris, where Fulton had made some of his early experiments, before then. Every new conquest made by steam was a permanent one. Its

success might be disputed here and there, but its rule gradually became confirmed. Victor Hugo, with his head in the clouds, dubbed it "a machine good for very little—a nightmare dream from Utopia"—but he lived to become its obedient slave for all that. For a time steamers were confined to the rivers and lakes, but in 1819 the attempt was made to bridge the Atlantic by this means, the *Savannah*, a steamer of 350 tons, making the voyage from Savannah to Liverpool aided by the new motive power; but it took another twenty years to make ocean steamship travel a success.

Progress was difficult. Protection and prohibitive restrictions and imposts blocked the way. It was imagined that native productions would be in greater demand by excluding the productions of other countries—a policy which had the effect of increasing prices, and stemming production to an alarming extent. The London merchants petitioned the Government in 1820, praying for the removal of trade restrictions; and from other large cities similar appeals were sent up. These were the beginnings of that Free Trade agitation which was destined in later years to become the national commercial policy. To aggravate the situation, as far as the working population was concerned, many grievous restrictions were imposed. By the Combination Laws workmen were prevented from combining together to promote their interests, and were even prohibited from emigrating. But it became dangerous to retain the latter restriction in the face of the discontent which prevailed,

and in 1824 it was repealed, when large numbers of people emigrated to the United States, the Australian Colonies, and South Africa. Instead of progress there was now rapid decline. The falling off in the woollen trades is shown by the fact that whereas the declared value of exported woollen goods in 1815 was £9,381,426, in 1830 it was not more than £4,728,666. There had been no duty on wool until 1803, when a charge which amounted to little more than ½*d.* per lb. was imposed. This was increased in 1819 to 6*d.* per lb., which had a depressing effect upon the industry, and led to a general relaxation of these duties in 1824, when Mr. Huskisson introduced a measure putting the duty on imported foreign wool at 1*d.* per lb. for the superior kinds, and ½*d.* per lb. for inferior wools, while English wool growers were allowed to export wool on payment of a duty of 1*d.* per lb.

In the cotton trade there was also great stagnation from the same causes, although the comparative newness of this industry endowed it with a certain vitality which was absent from the older industry. But all was not well even in Lancashire; thousands of looms were standing, and a great proportion of the workpeople of the cotton-manufacturing districts were out of employment. A Royal Commission appointed in 1837 to report on the condition of the unemployed hand-loom weavers contained the following significant observations: "The high price of bread in the country is but one of the evils entailed upon the working classes by the Corn Laws; they have been met by retalia-

tory measures affecting our commerce by almost every nation in Europe, and by the United States of America. Through the influence of these measures, our foreign trade, where it might at least have maintained itself, was lost. In 1820 the amount of cotton cloth exported to Russia was 13,203,851yds.; in 1837 it was 1,126,539yds.; thus our trade has declined to almost nothing; and, where it might have been almost unlimited, had been circumscribed in its operations. Our exports to the whole of Europe, with its population of 200,000,000, for the five years ending 1838 were less in value than in the five years ending 1820, and are now only double the amount of our exports to the United States, with a population of about 12,000,000. Our corn laws have been met by duties, amounting in many cases to the practical exclusion of goods of British manufacture. These retaliatory measures have operated in a twofold manner to the injury of Great Britain and Ireland, by closing many ports against us; secondly, by encouraging the growth of foreign manufactures." Thus the Corn Laws were really the excuse for the heavy tariffs directed against British goods by foreign nations. In general bulk the cotton trade showed a considerable improvement in these years, without, however, producing much amelioration in the condition of the ever-increasing number of operatives.

In the silk industry, certain prohibitive duties were reduced with beneficial effect. On all raw silk that did not come from Bengal the duties were lowered from 5*s.* 7½*d.* to 3*d.* per lb.,

while the duties on thrown silk were reduced from 14*s.* 8*d.* to 7*s.* 6*d.* per lb. The importation of foreign silks was altogether prohibited until 1826, when they were admitted on payment of an *ad valorem* duty of 30 per cent.

It was in and around 1825 that the country, buoyed up by false prospects, was seized with a new craze for speculation. All sorts of wild projects were put upon the market, and eagerly subscribed for. In the session of 1825 there were 438 petitions for Private Bills submitted, and 286 Private Acts were actually passed. But it was soon perceived that there had been reckless over-speculation, and a panic set in. After Parliament broke up that year, the money market became violently agitated, and prices suddenly dropped. The Bank of England diminished its issue and discounts, and commercial confidence was rudely shaken. Merchants looked to their bankers in vain, and failures of large business houses occurred with a depressing rapidity. Within five or six weeks from sixty to seventy banks stopped payment, the funds fell, and all the channels of credit were stopped. To meet the difficulty the Government ordered the issue of £1 and £2 bank notes for country circulation, and a fresh coinage of sovereigns, 150,000 being coined in one week. At the same time public meetings were held for supporting commercial credit, and confidence was ultimately restored. It was then seen that the business affairs of the country were in a sounder condition than had been thought: one-third of the banks which had

suspended payment were able to resume operations, while the others paid an average of 17*s.* 6*d.* in the pound.

Meanwhile, there was quietly growing up a new kind of company enterprise which was destined to occupy the attention of British speculators to a much greater degree than any previous financial development. This was the railway movement. The Darlington and Stockton Railway, twenty miles long, had been opened in 1825 as a line for the transport of coal only, the wagons being drawn by horses; but, thanks to the inventive genius of George Stephenson, and Edward Pease's recognition of it, two locomotives were put on the line in the following year, and passengers began to be conveyed as well as coals. The idea soon bore practical fruit. Other railway projects were entered upon, the inauguration of the Liverpool and Manchester Railway in 1830, when Stephenson won the locomotive contest with his "Rocket," making it clear to the national mind that a new means of transport of vast importance had been introduced—how important could only be realised by the developments which afterwards took place. What it meant from the point of view of public economy; what it saved in money and time; and what an aid it was to trading intercourse, was beyond computation. At the outset it caused the price of coals at Darlington to fall from 18*s.* to 8*s.* 6*d.* a ton, and a comparison of the coach rates with the railway rates for passenger conveyance shows how tremendous the saving was to the travelling public, while in the matter of

freight transport it completely revolutionised matters.

The inauguration of the railway era was one of the few hopeful signs in a period of intense distress and discontent. Year after year it was the same pitiful record—high prices, starvation, riots, strikes, and fierce agitation. The Reform Bill of 1832 did something towards securing popular representation in Parliament, and strengthened the people's hope, but it did not remove the real cause of the distress. In 1830, in the towns of Ashton, Dukinfield, Staleybridge, and surrounding districts, there were thirty thousand people out of employment, and disturbances were frequent and serious. In 1832 the country was in the throes of a severe outbreak of cholera, when out of 82,528 cases 31,376 were fatal. Now and again there was a brief interval of comparative quietude and fuller employment, but at no time during the whole of the period under survey was there anything approaching to general industrial prosperity. The country's distress spoke with touching eloquence during these trying years, and when the eminent statesmen who at that period took upon themselves the championship of the popular cause, and were the means of spreading the Free Trade movement throughout the country, they only needed to enforce their arguments by allusion to the misery they saw around them. In the same way the advocates of the Ten Hours Factory Movement had their appeal strengthened by the hardships that were notoriously prevalent; and there was beneath all this the deep undercurrent of Chartism fanning

the flame of rebellion in the hearts of the oppressed multitude. In 1837 the pinch of poverty was felt so severely among the masses in Lancashire that thousands of people paraded the streets of Manchester demanding bread from the shopkeepers on the plea that they and their families were starving; and the next year and the next were also years of privation. In 1839, in consequence of the dearness of corn and tea, and the want of employment, riots broke out, shops were sacked, and there was great destruction of property. On June 14th of that year the Chartists had presented a petition to Parliament signed by upwards of one million two hundred thousand persons, but the committee that was moved for in response to this appeal was refused, and riots followed in London, Birmingham, Manchester, Newcastle, and other places, and a general insurrection was feared. The famous five points of the charter, it is interesting to recall, now that later concessions make them appear so moderate, were universal suffrage, vote by ballot, annual parliaments, paid members, and the abolition of the property qualification. In 1841 corn rose in six weeks from 63*s.* 5*d.* to 68*s.* 2*d.* per quarter, and it had by this time become evident that the principles of the Anti-Corn Law League would have to be adopted if the country was to be saved from industrial collapse. Matters were in such a serious pass that one person in every eleven was a pauper, and one in every five hundred was committed for trial. It was in this year that the Common Council of the City of London reported that Protection left "manufacturers

without a market, shipping without freights, capital without investment, trade without profit," and revealed "a working population rapidly increasing, and a daily decreasing demand for its labour."

Peel, though pledged to Protection, and brought up to believe in protective ideas, was converted to Free Trade by the force of circumstances, and, to the dismay and disgust of his own party, introduced and passed the measure which removed the obnoxious Corn Laws from the British Statute Book, and with them the old protective restrictions which had for so long clogged the wheels of trade.

The imports of the country were taxed between 1815 and 1820 to the extent of £1,000,000 sterling, in addition to the prior burdens, and the export and import of corn had been interfered with to an extent that cramped and crippled the efforts of the community. Mr. Huskisson had given some relief between 1821 and 1825; and in 1840 the whole subject of duties was investigated, leading to the larger fiscal policy that was afterwards adopted. There was a grand total of 1,150 different rates of duty chargeable on imported articles, scarcely any of which had had a standard imposition, and out of a list of 862 of the articles which were subject to duty seventeen produced 94 per cent. of the revenue, which itself amounted to £23,000,000. There were nearly 150 articles mentioned in the tariff which presumably were not imported at all, inasmuch as they yielded nothing. The greater part of the revenue was

derived from sugar, tea, tobacco, spirits, wines, timber, corn, coffee, butter, currants, tallow, seeds, raisins, cheese, cotton, sheeps' wool, and silk manufactures.

The finances of the country were in chaos when Peel set himself the task of improving them. To remedy the deficit of £2,000,000 in 1841 he imposed an income tax, accompanying this by a removal of prohibitory duties on imported raw material and manufactures and special articles of food; and he had the satisfaction of finding that the increased consumption countervailed the reduction of duty. This in itself was an encouragment to fuller freedom of trade. In nearly every instance the result was the same. His proposal to withdraw the prohibition from the importation of live cattle and fresh provisions was much opposed by the representatives of the agricultural interests, who prophesied the ruin of the home cattle trade; but no such dislocation occurred, for, with cheapened meat, the trade increased both in volume and profit. The experience afforded by the reduction and subsequent abolition of the duty on wool was precisely similar; and when at last the extreme measure of extinguishing the Corn Laws and protective duties generally was adopted, the English people were freed from the excessive burdens which, in the earlier part of the nineteenth century, had dwarfed their energies, exhausted their resources, and shaken the fabric of British trade to its very foundation.

That there were other causes in addition to Free Trade that helped in the great commercial

development which followed is not to be gainsaid, and if, as some statesmen anticipated, other leading nations had followed British example, and made Free Trade a universal policy, the industrial record of Great Britain would undoubtedly have been one of still ampler prosperity. Be that as it may, the trade of the country increased at an unexampled rate in the years that followed. All the channels of trade were swept by a fuller tide, employers and employed alike profited, wages advanced, living became cheaper, discontent disappeared, and there was a general levelling up of the working classes to a condition of greater comfort and independence than had ever before been enjoyed.

The concession that was made to humanity in 1847 by the passing of the Ten Hours Bill was another example of a more enlightened policy. In one of the public squares of Bradford stands a monument to Richard Oastler, the "Factory King" of that period, whose untiring labours for the attainment of this measure of relief have made his name memorable. It took fourteen years to bring about the emancipation that Oastler, Lord Shaftesbury, Feilden, and other noble workers in the good cause fought for, the measure being bitterly opposed; but in 1847 Parliament gave effect to the demands of the philanthropists, and the Ten Hours Bill became law.

When once there was a free course, however, and all the forces at command could be brought into active exercise, the expansion of industry was enormous. The railway system was ex-

tended at a tremendous rate; steamships were ploughing the seas in all directions; iron was being utilised for shipbuilding purposes; steam power and machinery had uninterrupted scope; an important new textile industry—the manufacture of alpaca—had been introduced; a great impetus had been given to the iron trade by the hot blast and the Nasmyth steam-hammer; colliery workers had had their perils lessened by the invention of the Davy lamp; steel pens were fast superseding the old-fashioned quill; the Jacquard loom was being largely used in the manufacture of laces and fancy fabrics; the power-loom had everywhere replaced the hand-loom; Mr. S. C. Lister (Lord Masham) had introduced his revolutionising woolcombing machine, which at a stroke changed a great industry from the manual to the mechanical stage; the first electric telegraph company had been established; the sewing machine had been invented; the penny postage was in operation; screw steamers were superseding the old paddle boats; and between Great Britain and all the nations of the world had sprung up an active trading intercourse that meant a large and solid prosperity.

The growth of British commerce from 1839 to 1850 had been greater than at any other period, although the main improvement belonged only to the later years of this decade. In 1839 the total value of British produce and manufactures exported was £53,233,580, and the total value of imports was £62,048,000, of which £12,796,000 was exported to other countries. In 1850 the exports had increased to

£71,368,000, and the imports to £100,469,000, of which £21,874,000 was exported. In the same period the number of British vessels had increased from 27,745, of an aggregate tonnage of 3,068,433; while in 1850 the aggregate tonnage of British ships was nearly 4,000,000. The population of the United Kingdom increased from 13,924,000 in 1830 to 20,919,531 in 1851; the great industrial towns showing the largest increase. London's population had grown in the twenty-one years from 1,500,000 to 2,500,000; Manchester (including Salford), from a little over 200,000 to 367,232; Liverpool, from 205,000 to 350,000; Birmingham, from 147,000 to 240,000; Leeds, from 123,393 to 171,805; Bristol, from 104,408 to 137,328; Edinburgh, from 136,294 to 160,302; Glasgow, from 160,000 to over 300,000.

The railway developments, however, were the marked feature of the latter part of this period, and presented such a new and promising field of speculation that for a time there was such a gamble in shares as almost recalled the South Sea craze. It afforded evidence of national wealth, if nothing else, but, all the same, it formed a gigantic piece of sharemongery that, as usual, led to serious panic and disaster. Ten or a dozen new railway schemes were brought out every day during the summer of 1845, and in September of that year no less than 457 new enterprises were projected. Some 1,400 railway companies were registered in that year altogether. Not only Great Britain, to its remotest corners, was to be covered with lines, but the projects included railways for the colonies and

foreign countries. For the British schemes alone more than £100,000,000 of capital was required. All sorts and conditions of people were drawn into the whirlpool of speculation, and when the crash came thousands of thoughtless speculators were ruined. A widespread financial crisis supervened, in which many well-known commercial houses went down, and, in spite of the commercial rally that had followed the introduction of Free Trade, the general effect was exceedingly disastrous. To make matters worse, Ireland suffered a severe famine in 1847, many calamities being crowded into the closing months of that year. After this, however, there was a quick recovery, and a healthier commercial existence was entered upon.

CHAPTER XIV.

FROM THE ADOPTION OF FREE TRADE TO THE LAYING OF THE FIRST ATLANTIC CABLE.

1848–1867.

FREE TRADE did much to lift the shadows from the lives of the working classes. Employers and employed began to understand each other better. There was still a sharp class cleavage between rich and poor, but economic conditions were better comprehended than formerly, and many of the old elements of depression disappeared. Free Trade was mainly,

though not wholly, responsible for the improvement that took place in the social and industrial situation. Other circumstances favoured, but it was the removal of the tariff barriers that, more than all else, opened the way for the return of prosperity. The change was not effected at a bound, however; the depression had been too deep to admit of immediate recovery. The Chartist agitation survived, reaching its culminating point in 1848; but the humanising influence of better industrial conditions and cheaper provisions soon dispelled the trouble. Free Trade led the way to a larger national life. The potato famine in Ireland, and a serious cholera epidemic throughout the kingdom in 1848–9, were serious drawbacks to the general prosperity, and put a check upon the increase of population, which, while having expanded from 24,392,000 in 1831 to 27,036,000 in 1841, an increase of only a few hundred thousands was recorded in the decade 1841 to 1851. The growth of British exports, however, was, on the whole, steady all the time, showing during the last-mentioned decade an increase of from £100,000,000 to £170,000,000; but the increase in imports in that period was less marked, advancing only from £60,000,000 to £90,000,000.

When the second half of the nineteenth century opened, the world of trade was prominent in men's eyes. In 1851 the first International Exhibition was held in Hyde Park, when Great Britain revealed to the rest of the universe the details of her industrial strength, all the instruments by which her commercial

supremacy had been won being unreservedly displayed. Other nations contributed of their leading manufactures and inventions, and the wondrous show was an immense incentive to industrial effort the world over. Every Continental nation, and our kinsmen across the Atlantic, now aspired to become our commercial rivals, and a splendid impetus was given to trade and industry in every form. Some people doubted later on whether Great Britain did not lose more than she gained by this disclosure of her wealth-earning powers; but while the flowing tide of prosperity continues there is not much questioning of the currents. For many years afterwards the foreign demand for British machinery was enormous, and our manufactures were exported in larger quantities than ever.

The exhibition of 1851 clearly demonstrated that British skill had conquered almost every domain of industrial effort. In the textile industries it revealed a brilliant display of fabrics, including many novel cloths, such as alpaca, mohair, and numerous effective combinations of fibrous material. It showed in operation every mechanical contrivance for manufacturing these goods, from the machines of the preparatory processes to those of the dyeing and finishing. It put in evidence all our improvements in the production of motive power. Our achievements in the metallurgical processes, in shipbuilding, in locomotive construction, in electrical appliances—all were there to testify to our industrial greatness.

About this time the discoveries of gold in

California and Australia had a marked effect upon the trade of the world by increasing the currency. The Californian discovery occurred in 1848, that of Australia belonged to the exhibition year. The immense output of these two countries in the precious metal was of great service to the trading community, Great Britain profiting mainly by the gold imports from her own Australian colony, which amounted to from £10,000,000 to £12,000,000 a year for a considerable period.

So strong and powerful had British trade become that when the Crimean War broke out in 1854 there was much less depression than during former wars. As a matter of fact, both our manufactures and our agriculture profited considerably by the war with Russia, the demands on the productive capacity of the country being largely increased. The evil effects of the conflict—the increase of taxation and other drawbacks common to a state of war—were there, but they were soon recovered from, and the commercial progress of the country was continued, with only occasional crises and depressions.

The Indian Mutiny in 1857, though alarming, and in the highest degree serious in its horrifying incidents, did not disturb the general course of trade. For the moment there was an interruption in East India trading; but when, as a result of the mutiny, the Crown assumed the sovereignty and functions of government in India, the commercial significance of this vast possession was materially strengthened. At the same time our national trade with China was put

upon a sounder basis by the successful wars which England was compelled, in conjunction with France, to wage against that country.

The friendship of Napoleon III. was, in the main, beneficial to British commerce, the treaty which Cobden negotiated with France in 1860 being the most notable effect of that friendship. This treaty abolished all import duties on French manufactured goods, provided for a considerable reduction of duty on French wines, and, on the other hand, admitted English textiles, coal, iron, and other commodities into France at a greatly reduced duty. The result was felt at once, and greatly increased the bulk of trade between the two countries.

In 1861 the cotton-manufacturing districts of England were plunged into extreme distress by the outbreak of the Civil War in the United States. Lancashire, which had become almost wholly dependent upon the Southern States for its raw cotton, found its supply entirely stopped. Ten years before, Sir Thomas Bazley had warned the country against trusting wholly to the American source of supply, but nothing had been done to carry his suggestions into effect, and when the supply failed the cotton trade was paralysed. In 1860 no less than 1,115,890,608 lbs. of cotton had been imported from America; but the next year only 819,500,528 lbs. were imported. The effect was pitiable. The year 1860 found everything prosperous — profits more remunerative than ever before, wages higher. But 1861 saw the whole trade reduced to despair. Everywhere mills were stopped,

and people were thrown out of employment. It became a veritable "dragging of death chains with patience and prayer." And this terrible scourge held the land for four long years. The heartrending position aroused a noble and widespread response of charity. Relief committees were established in all parts of the country. In London £17,000 was raised in five days; in Manchester the local collections reached £30,000; and the whole world contributed in money or goods, the aggregate value of the donations being about £2,000,000, the Mansion House Fund alone attaining the total of £528,336. But in spite of this splendid charity the distress continued to be intense. The loss in wages was £136,094 per week. A population of 1,500,000 was wholly dependent upon charity and parish relief. Parliament sanctioned a public works loan for providing employment for the distressed operatives, and £1,846,083 was lent to Lancashire public authorities for this purpose.

This sad chapter in the history of Lancashire, however, was not without its brighter side. It had a humanising effect on all classes. It produced a more fraternal feeling among the working classes themselves; did much to bring rich and poor, employers and employed, into closer relationship; demonstrated the benefits of provident habits; and inculcated sounder views on economic questions throughout the whole community than had previously prevailed. And now (1904) there is once more some talk of liberating the British cotton trade from sole dependence upon America for its raw

material, and this time money is being subscribed and action taken that may lead to some achievement. It remains to be noted that what was Lancashire's calamity was a benefit to other branches of textile industry, there being an increased demand for other light fabrics, although the worsted industry, in which cotton warps were used, suffered from the scarcity of cotton. When the war ceased, however, there was a great demand for our fabrics of all kinds in the American market, as well as in other markets, which did something towards making up for the previous shortage.

It was in 1862 that the commercial classes and the investing public received the important boon of the first Limited Liability Act, which, while it made financial speculation a less risky matter than before, largely extended the scope of financial adventurers ; and, by bringing into existence the profession of company promoting, was, in spite of its generally beneficial effects, destined to be fruitful of much harm. In so far as the Act prevented the honest investor from becoming liable for more than the paid-up limit of his own holding of shares, it was highly serviceable. Under the old joint stock companies law one shareholder was liable, not only for himself, but for all his company's indebtedness, and when a crash came it usually meant ruin to thousands. This evil was removed by the new Act ; but there was another evil set up, unfortunately, and that was that by restricting responsibility in each individual case it made it easy for reckless promoters to put

doubtful schemes before the public. A wholesale creation of limited liability ventures followed, and another of those wild manias for speculation which do so much to upset genuine financial operations was witnessed. The mania reached its highest point in 1865, in which year 287 companies were formed, with a total authorised capital of upwards of £100,000,000, though with only £12,000,000 of paid-up deposits. Naturally, panic and disaster resulted, and the first shoal of limited liability company victims was gathered in. It was then predicted that the lesson of those days would be remembered, and that future indulgence in rash company speculation would be avoided. But the public soon forget a lesson of this kind.

The general industrial progress of the country during this time was well sustained. There had been wonderful developments in the coal and iron trades. The great wealth of the Cleveland district had been discovered, yielding mineral treasures beyond computation, and the town of Middlesbrough, with its immense coal and iron works, had sprung into being for the utilisation of these treasures. The South Wales coal district was being opened up, with marvellous success, and the town of Cardiff grew up and became great as its port of outlet. Barrow-in-Furness became the centre of another new coal and iron region. And all the time the older coal and iron fields of the North and the Midlands were yearly increasing their output.

Meanwhile the iron and steel industries had received an accelerating force fraught with

mighty possibilities. Within an ordinary lifetime iron working had been transformed from a comparatively primitive occupation to one of great scientific application. As we have seen, Cort had invented puddling in 1784; in 1818 Rogers had replaced Cort's sand bottoms with iron ones in the puddling furnace; in 1820 malleable iron rails had been substituted for wooden rails for the running of coal wagons; in 1828 Neilson's hot blast had been introduced; in 1839 Heath had utilised manganese with great success in steel-making; in 1842 Nasmyth's steam-hammer had been added to the list of improvements; and then, in the period of which we are speaking, Bessemer appeared upon the scene with his revolutionising invention whereby pig iron was converted direct into steel. The inventor gave his first description of the process at a meeting of the British Association, in 1856, and within thirty days of the reading of his paper was paid £27,000 for licenses to use his process. Difficulties arose, however: some kinds of pig iron were not amenable to the new treatment, so the inventor went back to his workshop and began a fresh series of experiments, and after a time of anxiety and struggle succeeded in mastering the whole secret of the perfect conversion of crude iron into steel, and another giant stride had been made in the world's industrial progress. The result was that the price of steel was reduced from £50 to £60 a ton to less than £20 a ton, and the production of the metal went up in a few years from fifty thousand tons to thirty times that amount per annum, Bessemer steel soon

coming into use for many purposes for which it had previously been impossible to use steel by reason of its high cost. One of the effects was to change the railing of the world's railway systems from iron to steel.

Iron was now coming into general use for shipbuilding; and for warships armour-plates had been introduced (to be soon universally adopted) by Sir John Brown, the Sheffield iron-master. Iron and steel were indeed the precious metals, and represented greater value each year than the whole of the world's output in gold and silver. Shipbuilding had assumed enormous proportions. The shipbuilders of the Clyde, Birkenhead, Jarrow, Liverpool, Newcastle, Sunderland, and other great ports were putting on the sea every year an immense number of new vessels of large tonnage. The increase in the total tonnage of British ships from 1857 to 1861 was about one million tons.

Electricity had not yet advanced beyond the telegraph stage, so far as concerned its application to the industrial arts, though, from the scientific discoveries that were made from time to time by eminent electricians in England, Germany, France, and the United States, it was evident that important developments were near at hand. The telegraph was in operation for the transmission of messages in all countries, and ocean telegraphic cables were engaging serious attention. Sir Charles Bright was the pioneer in this movement. In 1853 he successfully laid a submarine cable between England and Ireland, and in 1858, financially aided by

a number of friends, laid the first Atlantic cable, which, from a variety of causes, unfortunately, did not answer the aims of the promoters, and had to be abandoned, although not before it had been sufficiently demonstrated to scientific minds that the idea was practicable. In 1864 Sir Daniel Gooch began to interest himself in the subject, and at his suggestion the *Great Eastern* steamship was employed in the work of laying a new Atlantic cable, Gooch himself superintending the operations. The cable broke amid-ocean, and for the second time failure had to be written in respect of the scheme for connecting England and America by telegraphic cable. The following year, however, a further attempt was attended with success, for not only was a new cable laid, but the old one was picked up and spliced, so that two Atlantic cables were completed at the same time.

Among the more important developments in the textile trades towards the close of this period may be mentioned the silk waste industry, brought to success by Lord Masham (then Mr. S. C. Lister) at Bradford; and, at the other end of the textile arts, the great improvements made in the shoddy industry in the Batley and Dewsbury district of the West Riding.

Silk cocoons contain a considerable quantity of silk which the silkworm gums over, so that the fibre cannot be unwound. Practical men despaired of ever turning this rubbish, of which there were vast quantities available, to account, until Lord Masham, more practical than the rest, happened to have his attention drawn to

a heap of it, and bought it for a mere song—½*d.* a pound. When this material arrived at his mills in Bradford he began a long series of experiments with it, but it took years of patient labour, and the expenditure of £360,000, before he succeeded in elaborating the necessary machines for the manipulation of the waste. When at last success did come, he produced from the once discarded material silks, velvets, and plushes of wonderful variety and beauty. Then fortune came rapidly, and England possessed a new textile industry.

As regards the shoddy trade, it had been in existence to some small extent from the early part of the century, but it was not until the "fifties" and "sixties" that the industry began to assume any great proportions. By 1860, however, there were many thousands engaged in the business, and the manufacture of cloth from rags was an established and successful trade. Here again it was the use of special machinery and processes that achieved the triumph, and so thoroughly is the cleansing and manipulation of the raw material accomplished that the cloth that results is in many instances equal in appearance and wearing qualities to cloth made from the raw wool. In the trade only the cloth that is made from soft rags, such as worsteds, is termed shoddy; that which is manufactured from woollen rags being called mungo, though, to the general public, the term shoddy covers both classes of fabrics.

CHAPTER XV.

FROM THE NEW STEEL ERA TO RECENT TIMES.

1867–1904.

At the beginning of this period steam-power, now applied to a multitude of new purposes, was the undisputed motive force of the world's industries, and Great Britain, which had evolved it, was still its chief utiliser. It had as yet no rival. It performed every kind of service, from the most gigantic to the most trifling, and was entirely subservient to human control. At a single touch it started the great ship on its passage across the ocean, or sped the railway train with its freight of passengers or merchandise along the metal ways from city to city. It pierced the depths of the earth, and brought to the surface largely increased quantities of the mineral wealth long stored below; it kept the furnaces ablaze night and day in all the metallurgical regions of the country; it wielded with mighty effect the strokes of ponderous hammers and other gigantic tools which could not otherwise have been brought into use, and drove the complicated machinery of mill, factory, and workshop. It was the great "spirit of the mist," which, at the bidding of man, was distributing its illimitable forces over every department of human effort. There was nothing to oppose its supremacy; the shadow of its successor—electricity—was looming, star-like, in the distance, but as yet its

presence was neither threatening nor disturbing.

Steam, the industrial giant, had generated a giant progeny. The scale and capacity of things was enormously amplified. In every branch of industry enterprises were assuming colossal proportions. The days of small ventures had passed. Factories, workshops, shipyards, ironworks, collieries, and even retail shopkeeping establishments grew to gigantic proportions, and there was a general adaptability of working forces to a mammoth ideal. Steam had lifted business operations out of the old narrow ruts of isolated endeavour, and in the new activity powers of organisation, consolidation, and development were revealed which greatly broadened the base of trade. A new intelligence took up the control of commercial affairs, and the arts of industrial production as well as the usages of barter, sale, and distribution were metamorphosed. The simple trade practices of former times were succeeded by a complex variety of economic operations that called for the exercise of special skill and energy, and brain became as important a factor as capital in the working out of the larger issues that were now involved. Quality had to keep pace with quantity, and the potentialities of industrial life fell to the men possessed of technical skill and business aptitude.

From this point the incidents of trade and industrial life followed each other so rapidly and were so important in their character that we shall best comprehend their significance if we endeavour to trace their

course through their separate constituent sections.

In general bulk the country's commerce was mainly progressive, though undulatory in its action. As regards imports, the progress was marked from decade to decade. In 1872 they amounted in value to £355,000,000; in 1882, to £413,000,000; in 1890, to £421,000,000; in 1900, to £523,000,000; and in 1903, to £543,000,000—an increase of nearly £200,000,000 within little more than thirty years. The exports tell a rather different story, inasmuch as they only show an increase of from £256,000,000 in 1872 to £287,000,000 in 1903. The great fall in the values of manufactured goods is largely responsible for the lack of expansion in the value of exports, but there has also to be taken into account the increase of foreign competition. In the early "seventies" Great Britain's industrial supremacy was unquestionable. There was no other nation that came anywhere near her in the matter of industrial output. In 1875 the value of the export trade of the United Kingdom was double that of Germany and the United States; but in 1898 the United States stepped into the first position, while Germany ran Great Britain pretty close for the second place. It was not to be expected that the lead could be kept indefinitely by the United Kingdom. America, with its boundless resources, its enormous and rapidly increasing population, and its immense business energy, was clearly destined to outdistance all rivals in quantity of production; and it had also long been evident that Germany would become important as an

exporting country. These things are the result of natural laws. Other conditions being equal, the country of the greatest population must produce the greatest quantity of goods.

The coalfields remain the chief source of Great Britain's industrial strength. The coal output has, through all the steam era, been the index of the nation's manufacturing progress. In 1850 the yield was 49,000,000 tons; in 1880 it was 147,000,000; in 1896 it had increased to 195,000,000; and in 1903 to 230,000,000. The number of persons employed in the coal industry in 1903 was 842,066. How long coal is destined to retain its present position as the source of motive energy depends upon scientific developments. Electricity will doubtless supplant steam as a power agent; but even when this has been achieved coal can still be used as an electricity-generating medium, and other means will probably be found for utilising the energy stored up in the mineral. Every now and then some alarmist pictures the destruction of British industry when, a few hundred years hence, the coal supply, at our present increasing rate of consumption, would become exhausted; but long before that time arrives science may have so changed the nature of power creation as to render the existence or non-existence of coal a matter of indifference. Meanwhile, we are making the most of our coal while we have it and can turn it to profitable account.

The iron trade, in all its departments, has during this period undergone a remarkable

development; but within the last year or two the output of the United States has exceeded that of Great Britain, while Germany has crept up nearly level. Fifty years ago the United Kingdom produced four times as much iron as the United States, and over seven times as much as Germany. The steel process of Bessemer and the open-hearth system of Siemens-Martin gave a tremendous impetus to steel production, as we have seen; and in 1879 Thomas and Gilchrist introduced their improved method of dealing with ores charged with phosphorus. These inventions completely changed the conditions of the iron and steel trades. Great Britain now produces about four times as much steel as it did in 1880. In the exports of iron and steel the record of the United Kingdom has not varied to any large extent during the last thirty years. In 1872 the amount stood at £36,000,000, in 1902 at a little over £29,000,000, but in machinery and tools under this head there was an advance which a little more than made matters even. It is worthy of note that the four great processes of puddling—crucible, the acid and basis varieties of the Bessemer method, and the open-hearth system—were British inventions. The larger scope of operations afforded by the United States naturally leads to a greater production, but the main credit of initiative still rests with Great Britain, whose iron and steel trades are worth £130,000,000 a year, and afford employment to over 1,000,000 persons.

In the cotton industry there has been no

invention of the first rank added to its record during the period under notice. To-day the mills of Lancashire represent a capital of £100,000,000 sterling; they produce £90,000,000 worth of goods every year, and export over £70,000,000, while 3,000,000 of people are engaged in the trade. In the thirty years between 1872 and 1902 the cotton exports decreased from £80,000,000 to £72,000,000; but in the same period the net imports of raw cotton—that is, imports less re-exports—in 1872 were 10,150,000 cwt., valued at £44,560,000, while in 1902 they were 13,750,000 cwt., valued at £34,950,000. So that, treating the cost of the raw cotton coming into the country as a first charge upon the proceeds of our foreign sales of cotton manufactures, the gross profits of 1872 are not as much by nearly £2,000,000 as thirty years later; and, if we take that profit and compare its purchasing power in necessary commodities with what prevailed in 1872, we may fairly be allowed to double the amount. There has been a general cheapening of cotton goods during this time, caused by improved methods and cheaper raw material, but on the whole wages have been increased rather than lowered. Conditions are changing, however, for here again the United States has to be seriously reckoned with. Within the last twenty years the United States has more than doubled its output of cotton manufactures. In 1881 it used 1,915,000 bales of raw cotton; in 1902 not less than 4,359,000 bales; and 80 per cent. of the whole world's cotton crop is grown within the cotton belt of the Republic. That

the United States will go on increasing its production of cotton goods is certain; thus it will require more and more of its native crop of the fibre for its own mills, and will have so much less for England. The position is one to tempt speculators into creating "corners," and otherwise interfering with the natural course of supply and demand. While this condition of things lasts Lancashire is practically at the mercy of the United States, and it behoves the cotton men to do their utmost to create a fresh source of supply. There is no reason why certain parts of Africa, India, and Australia should not grow as good cotton as the United States.

During the latter part of this period the woollen and worsted trades have been deprived to a large extent of what was formerly their chief foreign market—the United States. The McKinley and Dingley tariff enactments practically shut the door upon British wool products. This and other causes have led to a considerable decrease in the exports of British-manufactured woollens and worsteds, which were valued at £38,000,000 in 1872 and dropped to £23,000,000 in 1902, though there was a recovery to the extent of £2,000,000 in 1903. On the other hand, there was a good increase in value of net imports of raw wool during those thirty years, the figures for 1872 being £9,240,000, while for 1902 the amount was £12,790,000. The exports of British raw wool also went up from 7,500,000lbs. in 1872 to over 37,000,000lbs. in 1902. In the same connection it is worth while noting that our consumption of shoddy for clothing

has gone up from 400,000,000lbs. in 1870 to 630,000,000lbs. in 1902. The woollen and worsted trades have, fortunately, received the great bulk of their raw material from within the empire, Australia having been the chief source of supply in recent years. From this colony the imports have been so large that prices have fallen by more than two-thirds, cheapening the manufactured products without lessening the wages of the operatives. From Australia, which in 1807 had only sent 250lbs. of wool to England, and in 1840 not more than 12,000,000lbs., the quantity received in 1870 was 175,000,000lbs., and to-day it reaches a total of over 500,000,000lbs.

As regards the linen trade, the production has not kept pace with the output in other textile manufactures. A much coarser material, however, jute, has come into prominence, and numerous factories at Dundee and other places are prosperously engaged in working up this Indian fibre, the present annual value of the manufacture being over £15,000,000.

The supremacy of the sea is still overwhelmingly with Great Britain, which has a greater tonnage of ships than all the other countries of the world put together, and in 1903 had a total sea-borne trade of the value of over £900,000,000 sterling. From the days of the old "wooden walls" to the present era of "steam turbines" England has consistently led the way in ship building, ship management, and ship traffic. In 1870 there was five times the tonnage of iron ships to that of wood ships added to the register of the United Kingdom. A few

years later ships built wholly of steel were introduced, and to-day this material may be said to have superseded iron for all the larger build of vessels. The average tonnage of steamships has greatly increased since 1870, when it was 920 tons. Now the average is over 1,840 tons. The size of the chief ocean liners has vastly increased. Even so late as 1890 there were very few vessels whose displacement exceeded 8,000 tons, whereas now there are several ships of over 20,000 tons displacement.

Railway facilities within the United Kingdom have been increased, until now we have 22,500 miles of railways. There is £1,323,000,000 invested in these enterprises. The earnings of the companies aggregate annually some £106,000,000; they carry 1,172,000,000 ordinary passengers, with an additional 2,000,000 season-ticket holders; handle 416,000,000 tons of goods and minerals; and run their trains 399,000,000 miles. In the matter of transit improvements Great Britain has not made as much progress as some other countries. London is far behind New York in facilities of conveyance, and although there are now several electric railways connecting city and suburbs, and more undertakings of the kind are in course of construction, it has to be confessed that we have not faced the transit problem with the energy that was to have been expected. In the matter of electric tramways there has been an awakening during recent years, and great efforts are being made to meet the public requirements in this direction, though here again America has

been in advance of us by a few years. In the application of electricity generally Great Britain has lagged behind, but present indications would seem to promise that in the near future this cause of reproach will be removed. The twentieth century is clearly to be the age of electricity, and England, which has so often taken the lead, cannot afford to rest content with a secondary position in this all-important development.

Many other matters that of right belong to the story of British Trade and Industry are of necessity omitted from our sketch; but even from such an outline-picture as we have been able to draw there is much to inspire confidence in England's industrial future.

England supplied the world with a series of master-inventions that revolutionised industrial production, and while other countries were learning to use these appliances we crowded their markets with our manufactures. But when, with our machines and tools placed unreservedly at their service, they too had learned the lesson of improved production, they could not only manufacture for themselves, but became our rivals at every point. No other outcome was possible. Beyond a certain stage trade cannot continue the policy of exclusion, least of all can a country like Great Britain, which is so dependent upon other countries for much of its daily wants. The charge that we are losing ground is only true to the extent that has been shown. England is richer in material things to-day than at any previous period—richer in industrial wealth, richer in territorial

possessions—and, healthiest sign of all, its working classes are better off than ever before, receiving wages higher in actual amount, and of much increased value in purchasing power, because of the cheapness of commodities. Since 1860 the value of earnings per inhabitant has increased 57 per cent., and pauperism has decreased by nearly half. Still, the trade outlook is not free from disturbing elements. The Free Trade policy under which we have prospered is being vigorously assailed, and the doctrine of retaliation against foreign protection finds many supporters. Unfortunately, we have to stake more upon such a game than our competitors, so the chances are not equal. What England seems to need most at the moment is a quickened activity and a higher technical skill. We have been "slowing down" somewhat, while our rivals have been putting on all possible pace—sometimes, indeed, running themselves into difficulties. In the working out of the greater problems of industrial effort which now present themselves for solution, we may, perhaps, achieve the lead, as we have done before, but we should be all the stronger for giving a closer attention than we have done to improvements in details, and to labour-saving contrivances in particular, mechanical or otherwise.

The great moral of the story of British trade is that labour always ennobles, never degrades. Industry has been the salvation of the race. The old idea that a taint clung to labour, and that the man who did nothing but amuse himself was the gentleman, no longer survives among

sane people. A man must produce; he must be a creative force in some way or other, or he languishes into insignificance. It is the same with nations. When a country relaxes in its striving, and ceases the strenuous life, it falls into indolent luxury, which is the sure prelude to decay. The countries that work the hardest achieve the greatest measure of success.

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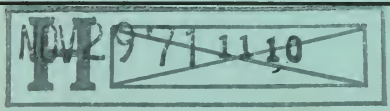

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